

DRAFT  
MINUTES OF THE CITY COUNCIL  
OF THE  
CITY OF GREENSBORO, N.C.

REGULAR MEETING:

24 JANUARY 2006

The City Council of the City of Greensboro met in regular session at 5:30 p.m. on the above date in the Council Chamber of the Melvin Municipal Office Building with the following members present: Mayor Keith A. Holliday, presiding; Councilmembers Michael Barber, T. Dianne Bellamy-Small, Sandra G. Carmany, Florence F. Gatten, Sandra Anderson Groat, Yvonne J. Johnson, Thomas M. Phillips and Goldie Wells. Absent: None. Also present were Mitchell Johnson, City Manager; Linda Miles, City Attorney; and Susan E. Crotts, Deputy City Clerk.

The meeting was opened with a moment of silence and the pledge of allegiance to the flag.

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The City Manager recognized Patti Hall, employee with the War Memorial Coliseum, who served as courier for the meeting.

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The Mayor outlined the procedures for conduct of the meeting and invited citizens to address Council as speakers from the floor.

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Eddie Summers, President of the Greensboro Police Officers Association, stated he represented the Association's members' views on priorities for the Police and Guilford Metro 911 Communications Departments for the 2006-2007 fiscal year budget. Mr. Summers reviewed the history of a 2004 manpower study and a 2005 budget increase to add new police officer positions for existing areas of the City and the recently annexed Reedy Fork area. He cited annexations as a basis for increased calls; noted the impact on service delivery from the MCT system reporting that requires officers to report from their vehicles; and stated he believed the impact of these staffing increases did not fully accomplish the department's response time goals.

Mr. Summers outlined his understanding of the duties of non-sworn personnel in records management, investigative assistance, and telecommunications; and offered reasons he believed an increase in staff positions for these duties was needed. Mr. Summers requested Council to instruct staff to make public safety a priority in the 2006-2007 annual budget.

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Michele Forrest, representing the Homeless Coalition of Guilford County, encouraged Council and the public to participate in upcoming events planned on behalf of homeless City residents. She praised the Greensboro Police Department for their participation in the annual homeless count and thanked Council for their support.

The Mayor spoke briefly to his ongoing experience with the homeless population through the Homeless Coalition of Guilford County and stated that a Homeless Prevention Task Force was being appointed.

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Mayor Holliday introduced a resolution honoring the memory of the late Floyd Thomas Carter. After Councilmember Bellamy-Small read the resolution into the record, she offered comments about Mr. Carter's outstanding community participation and activism. The Mayor expressed sympathy to members of the Carter family on behalf of Council and citizens.

Councilmember Bellamy-Small moved adoption of the resolution. The motion was seconded by Councilmember Johnson; the resolution was adopted on the following roll call vote: Ayes: Barber, Bellamy-Small, Carmany, Gatten, Groat, Holliday, Johnson, Phillips, and Wells. Noes: None.

14-06 RESOLUTION HONORING THE MEMORY OF THE LATE FLOYD THOMAS CARTER

WHEREAS, on November 26, 2005, this community lost one of its outstanding community leaders with the death of Floyd Thomas Carter;

WHEREAS, Mr. Carter was a native of Charleroi, Pennsylvania and received his Bachelor's degree from California State University in June, 1966;

WHEREAS, he was a veteran of the Vietnam War and received his honorable discharge in 1970;

WHEREAS, at the time of his death Mr. Carter was the Deputy Director of the Greensboro, NC Housing Authority;

WHEREAS, Mr. Carter served as Executive Director of the Raleigh Housing Authority from 1977 to 1993 when he left the housing field to take a position with a national housing firm where he provided a host of management and operational consultative services to many housing authorities across the nation and served as National President of the Professional Housing Authorities Directors' Association from 1991-1993;

WHEREAS, he was very active in the Raleigh community having served on many Boards, some of which include, Former Chairperson of the United Way of Wake County; former President of Raleigh Little Theater; former President of Family Services of Wake County; Board Member, United Arts Council of Wake County; Board Member of Raleigh Chamber of Commerce and Board Member of Wake County Bank of America;

WHEREAS, Mr. Carter was a member of First Baptist Church where he served on the Building Committee, the Trustee Board and in whatever capacity was requested.

WHEREAS, the City Council wishes to express its sense of loss and its sincere appreciation and gratitude for the many years of dedicated public service rendered by Floyd Thomas Carter, the outstanding contributions he has made to the community, and the legacy he leaves.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

1. That the City Council hereby expresses, on behalf of the citizens of Greensboro, a deep sense of loss and a feeling of respect and gratitude for the life of Floyd Thomas Carter.
2. That a copy of this resolution shall be delivered to the family of the late Floyd Thomas Carter as a symbol of the gratitude of the people of Greensboro for his many contributions to this community.

(Signed) T. Dianne Bellamy-Small

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Councilmember Gatten stated that she planned to present a resolution honoring the late Stanley Frank for Council's consideration at the February 7, 2006 Council meeting.

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Mayor Holliday spoke to the importance of City boards and commissions volunteers and recognized the following retiring members of various board and commissions for completion of their appointed services: Barney Brown, ABC Commission; Eric Crouch, Firemen's Relief Fund; Julie Davenport, Historic Preservation Commission; Sandra J. Adams, Varo Duffins, Gary Palmer, and John Patterson, Human Relations; Annie Parham, Insurance Advisory; Beth Mayer and Doris Melson, Library Board; Beth McKee-Huger, Minimum Housing Standards Commission; Jane Walker Payne, Greensboro Transit Authority; Joyce Fairley, Commission on the Status of Women; and J.D. Haynes, Zoning Commission. Those who were present in the Chamber stood to be recognized. On behalf of Council and citizens, the Mayor expressed appreciation and gratitude to retiring boards and commissions members.

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The Mayor stated that a request had been received to continue to February 7, 2006, Agenda Item 12, an ordinance rezoning property located on the east side of Fleming Road between Chance Road and David Christian Place.

Councilmember Gatten explained that Mr. Dukes, who was appealing the request, had a scheduling conflict with the current meeting and wished to speak to Council about the potential impact of the proposed rezoning on the historic McAlister-Bond House property. She moved that this matter be continued to Council's February 7, 2006 meeting. The motion was seconded by Councilmember Phillips and unanimously adopted by voice vote of Council. Councilmember Phillips stated he wished to review records from the previous zoning case prior to the next meeting.

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Mayor Holliday stated that this was the time and place set for a public hearing to consider an ordinance rezoning from Conditional District - General Office Moderate Intensity, Conditional District - General Office Moderate Intensity, and RS-12 Residential Single Family to Conditional District - Planned Unit Development for property located on the southeast side of New Garden Road between Brassfield Road and Medhurst Drive. He stated this matter was continued from the November 15, 2005 and the January 10, 2006 meetings of Council. The Mayor advised that at the January 10th meeting Council had granted the applicant revisions to the proposed conditions based on recently amended North Carolina state legislation.

Richard "Dick" Hails, Planning Department Director, stated the proposed ordinance was updated following changes made by Council on January 10th that eliminated conditions related to stub outs or connections to adjoined properties. He noted that the public hearing had been re-advertised to reflect amendments to the proposed rezoning ordinance.

The Mayor asked if anyone present wished to speak to these matters. The following speakers spoke in favor of the proposed rezoning:

Randy Dixon, residing at 1205 West Bessemer Street, spoke to his involvement with City staff to satisfy concerns raised previously by British Woods residents and fulfill criteria in the *Connections 2025 Comprehensive Plan*. He stated the proposal for mixed use development was in keeping with the neighborhood and *Comprehensive Plan* and expressed his belief that neighborhood residents supported the proposal. Mr. Dixon noted that an owner of adjacent and undeveloped property had raised concerns regarding the impact of the proposed rezoning on their ability to develop their adjacent land tract; and stated that City staff had advised him that the property could be developed as currently zoned without the issue of connectivity.

Andrew Richelson, attorney representing residents in the British Woods neighborhood, stated the neighbors had changed their position from opposition to support of the revised request and thanked Council for their assistance in facilitating the resolution of neighborhood resident's previously expressed concerns. Mr. Richelson spoke to potential opposition to the current rezoning request from the owner of adjacent undeveloped land; provided reasons he believed formerly proposed connectivity did not meet the needs of the neighborhood; advised that the City staff report indicated the formerly proposed street extensions would significantly impact natural areas, water resources, and historic artifacts; and expressed his opinion with regard to potential detrimental effects of street connectivity.

Mayor Holliday asked if anyone present wished to speak in opposition to the proposed rezoning request:

Nathan Duggins, attorney with offices located at 100 North Greene Street, stated he represented Brad Robinson, owner of property adjacent to the subject property. Mr. Duggins outlined reasons the availability of sewer in the vicinity was in his opinion, inadequate for future development of Mr. Robertson's property adjacent to the British Woods neighborhood. He spoke to City staff recommendations with respect to street connectivity made prior to consideration of this matter prior at the January 10, 2006 public hearing and information Mr. Robinson had received from the current developer of the subject property and the appraiser for his property. Mr. Duggins cited reasons the property had not been developed in the past and stated that, in his opinion, under the current conditions, access to Mr. Robinson's property would be removed with the revised rezoning request.

Councilmember Phillips provided brief comments with respect to the history of water and sewer service in the area of the British Woods neighborhood when it was annexed into the City.

During Council discussion, Mayor Holliday noted that Mr. Duggins had purchased his property prior to this rezoning case and stated that this zoning did not change access to water and sewer service.

The Mayor asked if anyone present wished to speak in rebuttal in favor of this matter.

Mr. Dixon spoke to past discussions he had with Mr. Robertson and stated that Mr. Robertson's attorney had informed him that the City would require him to install an 8" sewer line for connection between Mr. Robertson's and the subject property. Mr. Dixon stated that City staff had recently advised his design engineer that because Mr. Robertson's property could be sold in separate parcels, Mr. Dixon's party was responsible for running a sewer line to the eastern edge of the subject property which abutted Mr. Robertson's property.

Councilmember Johnson moved that the public hearing be closed. The motion was seconded by Councilmember Wells and unanimously adopted by voice vote of Council.

Mr. Hails provided brief remarks and stated that the *Greensboro Connections 2025 Comprehensive Plan* supported the current conditions of the proposed rezoning request.

Councilmember Gatten stated the following motion: The Greensboro City Council believes that its action to approve the zoning amendment, located on New Garden Road from CD-GO-M, CD-GO-M & RS-12 to CD-PD-M, to be consistent with the adopted *Connections 2025 Comprehensive Plan* and considers the action taken to be reasonable and in the public interest because: 1) The amendment is generally consistent with the land use category indicated for this site on the *Connections 2025 Generalized Future Land Use Map- Mixed Use Commercial, Low Residential and Activity Center*. 2) Policy 4C.2: Establish guidelines for infill locations, including mixed uses, connected streets, compatible buffers, flexible requirements to address local context, and protection of adjacent uses. 3) Parks, Open Space, and Natural Resources Goal: Protect natural resources, stream corridors and wetlands. The motion was seconded by Councilmember Johnson; the ordinance was adopted on the following roll call vote: Ayes: Barber, Bellamy-Small, Carmany, Gatten, Groat, Holliday, Johnson, Phillips, and Wells. Noes: None.

#### 06-13 AMENDING OFFICIAL ZONING MAP

#### SOUTHEAST SIDE OF NEW GARDEN ROAD BETWEEN BRASSFIELD ROAD AND MEDHURST DRIVE

#### BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

Section 1. The Official Zoning Map is hereby amended by rezoning from Conditional District – General Office Moderate Intensity, Conditional District – General Office Moderate Intensity, and RS-12 Residential Single Family to Conditional District – Planned Unit Development - Mixed (subject to those conditional uses with limitations as set forth in Sections 2, 3 and 4 of this ordinance) the area described as follows:

BEGINNING at a point in the southeast right-of-way line of New Garden Road, said point being a corner with Lot 137 of Weston at Friendly Acres as recorded in Plat Book 124, Page 110 in the Office of the Guilford County Register of Deeds; thence along said right-of-way line N46°34'12"E 155.91 feet to a point; thence continuing along said right-of-way line the following four courses and distances: N45°28'07"E 259.04 feet; N45°25'42"E 128.41 feet; N45°29'44"E 180.92 feet; and N45°30'11"E 88.91 feet to a point; thence leaving said right-of-way line S20°19'27"E 60.96 feet to a point; thence S21°51'55"W 83.89 feet to a point; thence S14°53'35"E 145.00 feet to a point; thence S57°55'10"E 154.68 feet to a point; thence S35°11'26"W 99.93 feet to a point; thence S86°06'34"E 453.33 feet to a point; thence S83°46'43"E 288.99 feet to a point; thence S00°45'27"E 149.70 feet to a point; thence S00°45'59"E 149.26 feet to a point; thence S88°57'51"W 267.34 feet to a point; thence S01°01'19"E 150.00 feet to a point; thence N88°56'18"E 265.80 feet to a point; thence S00°12'50"W 16.76 feet to a point; thence S00°36'14"E 973.11 feet to a point; thence S89°16'56"W 528.36 feet to a point; thence N01°14'57"W 371.03 feet to a point; thence N81°28'38"W 483.06 feet to a point; thence N13°22'10"E 441.90 feet to a point; thence N45°10'37"W 741.34 feet to the point and place of BEGINNING, as shown on "Rezoning Sketch Plan Property of Meredith Group, Inc." prepared by Hugh Creed Associates, Inc. and dated 08/01/05.

Section 2. That the rezoning of Conditional District – General Office Moderate Intensity, Conditional District – General Office Moderate Intensity, and RS-12 Residential Single Family to Conditional District – Planned Unit Development - Mixed is hereby authorized subject to the following use limitations and conditions:

- 1) Single Family Residential – 19.49 acres.
  - a) Maximum of 48 single family lots.
  - b) Maximum height of three stories.
  - c) Dimensional requirements based on RS-9.
- 2) Multifamily Residential – 8.93 acres.
  - a) Maximum of 90 units.
  - b) Units designed for sale.
  - c) Maximum height of three stories of habitable space with possibility of parking underneath building.
  - d) Dimensional requirements based upon RM-8.
  - e) One curb cut on New Garden Road to access residential development.
  - f) Main road from New Garden Road and cul-de-sac roads in Single Family area will be public streets, built to Greensboro Department of Transportation (GDOT) standards.
- 3) Commercial/General Business – 6.07 acres.
  - a) All uses permitted in GB, with the exception of the following: Agricultural Uses; Recreational Uses; the following Business and Professional Services: auto rental or leasing; boat repairs; building maintenance and services; equipment rental and leasing; furniture repair shops; laundromats, coin-operated and/or plants; motion picture production; pest or termite control services; professional membership organizations; taxidermists; television, radio or electronic repairs; tourist homes; truck and utility trailer rentals; vocational, business or secretarial schools; outdoor advertising services; Transportation, Warehousing and Utility Uses; Manufacturing and Industrial Uses; and Other Uses: arts and crafts shows, carnivals and fairs.
  - b) Maximum square footage of development shall be limited to 50,000 square feet of GFA.
  - c) No pylon sign will be permitted within proposed development. All signage along New Garden Road frontage will be monument signage, limited to six feet in height, with sign area in compliance with the City of Greensboro Development Ordinance.
  - d) Site lighting will be designed in a manner to eliminate direct illumination onto adjacent properties and that site lighting standards and fixtures not exceed 20 feet in height.
  - e) Buildings will not exceed three stories in height.
  - f) All trash handling areas will be screened from public view.
  - g) The property will be designed and developed in a unified manner and will incorporate similar and complementary architectural features.
  - h) Maximum of two curb cuts as approved by GDOT.

Section 3. This property will be perpetually bound to the uses authorized and subject to such conditions as imposed, unless subsequently changed or amended as provided for in Chapter 30 of the Greensboro Code of Ordinances. Final plans for any development shall be submitted to the Technical Review Committee for approval.

Section 4. Any violations or failure to accept any conditions and use limitations imposed herein shall be subject to the remedies provided in Chapter 30 of the Greensboro Code of Ordinances.

Section 5. This ordinance shall be effective on the date of adoption.

(Signed) Florence Gatten

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For Council’s information, Councilmember Carmany provided a brief explanation of criteria the Fire Department uses for consideration to evaluate street connectivity.

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Mayor Holliday stated that this was the time and place set for a public hearing to consider an ordinance amending Chapter 30, Section 30-1-10, Relation to the Comprehensive Plan, to consider an amendment to the Connections 2025

Comprehensive Plan Generalized Future Land Use Map (Figure 4-2) from the Low Residential to the High Residential land use classification for a portion of the property located on the north side of Freeman Mill Road between Willomore Street and Glenwood Avenue; and so that these matters could be considered together, an Ordinance rezoning from RS-7 Residential Single Family to Conditional District- RM-18 Residential Multifamily for property located on the north side of Freeman Mill Road between Willomore Street and Glenwood Avenue. He stated these matters were continued from the December 20, 2005 and January 10, 2006 Council meetings and that the public hearing had not been closed.

Mr. Hails spoke briefly to updated information that had been provided to Council.

The Mayor asked if anyone present wished to speak to these matters.

The following speakers spoke in favor of the proposed ordinance:

Michael Fox, attorney representing the applicant with offices located at 101 North Greene Street, presented information to Council; he proposed that Council consider modifications to the conditions of the rezoning proposal as follows: Delete existing condition #8, which specifies that the use shall be limited to a maximum of 56 townhomes or condominiums designed for sale and replace that with proposed condition #10, which says the use shall be limited to a maximum of 48 condominiums or townhomes designed for sale; and add proposed condition #9, the exterior finish of the building shall consist of a combination of brick and hardy plank type siding not limited to the name brand of Hardy Plank.

Councilmember Johnson moved to modify the proposed ordinance as requested by Mr. Fox. The motion was seconded by Councilmember Bellamy-Small and unanimously adopted by voice vote of Council.

Bob Crumley, owner of property located at 2400 Freeman Mill Road, stated he was satisfied with changes made to the proposed rezoning and expressed his opinions regarding reasons he believed the proposed development would benefit this area.

The City Attorney concurred with Councilmember Phillips' statement, that the anticipated selling price of the proposed residential units could not be considered in the Council's decision.

Mr. Fox reviewed in detail information he had presented earlier, noted numerous meetings with area residents, outlined modifications made to the proposal to accommodate their concerns, offered personal opinions with respect to how the development could benefit the area, and presented a rendering of the design concept for illustrative purposes.

During discussion, Mr. Fox confirmed that the units could be bought then leased, a homeowners' association would maintain common areas of the property with monthly homeowners' dues, and a portion of the property would remain a natural area due to topography involving wetlands.

The City Attorney advised that Council could only consider information related to the conditions attached to the rezoning request.

The following speakers spoke in opposition to the rezoning request:

Don Vaughan, attorney with offices located at 612 Friendly Avenue, stated he represented residents of the Glenwood neighborhood and noted that no neighborhood residents had spoken in support of the proposed rezoning. At his request, a large majority of the citizens present stood to express their opposition.

Mr. Vaughan reviewed a map of the subject property and surrounding area to support his personal opinion, that the proposal would negatively impact established neighborhood residents and violate the spirit and letter of the *Connections 2025 Comprehensive Plan*.

Mitzi Griffin, residing at 914 Glenwood Avenue and serving as President of the Greater Glenwood Neighborhood Association, read a letter from the Association that had been delivered to City Council members. She stated that 40 neighbors representing all areas of the Glenwood community endorsed the rejection of the developer's plans.

Mr. Vaughan spoke to the proportions of owner occupied residences and vacant housing units in the Glenwood community; noted characteristics of the undeveloped property; stated the *Comprehensive Plan* Monitoring Committee had

voted against recommendation of the proposed rezoning and development plan; and noted the existing community did not support the proposal.

Norris Thompson, residing at 1629 Willomore Street, spoke to his long term experiences as a resident in the Glenwood Community. He stated that some of the information presented by Mr. Fox had not been presented to Glenwood neighborhood residents prior to this meeting, shared his opinion that the proposed density was too high, and requested Council to support the Glenwood community by denying the rezoning request.

Johnny Edwards, residing at 1641 Willomore Street, spoke to the close proximity of the proposed development to his back yard, expressed concern with respect to potential negative impact from lighting and disharmony with the area, and requested Council to support the Glenwood Community by denying the proposed ordinances.

Rebecca Cates, residing at 1118 Lexington Avenue and Secretary of the Glenwood Neighborhood Association, expressed opposition to the proposed *Comprehensive Plan* amendment. She spoke to her history in the neighborhood and its distinct historic characteristics; shared opinions with regard to why the proposed seven multifamily units would not be in characteristic with the existing neighborhood; expressed concern that this rezoning could set a dangerous precedent of rezoning property from low-density single-family to high-density multifamily in the area; and noted that the 4.5 acre subject property was located in the heart of the Glenwood community. Ms. Cates stated the neighborhood was making efforts to revitalize the area and requested Council to deny the requests for the proposed *Comprehensive Plan* amendment and rezoning.

Elizabeth Keathley, residing at 1117 Lexington Avenue, stated residents were not satisfied with the proposed project and that fundamental concerns remained unresolved. She presented information to Council; expressed concern that the presentation of additional conditions at this meeting had not provided neighborhood residents with an opportunity to discuss these changes and other discrepancies with the developer; and shared her opinion that the site was not well suited for the proposed development due to its inconsistency with the existing neighborhood. Mr. Keathley stated she understood that City staff had recommended against the proposal due to unresolved traffic impact issues.

Mr. Vaughan expressed concern with respect to the potential negative impact on the Glenwood Community by setting a precedent with approval of these requests.

Speaking in rebuttal in favor of the proposed ordinances, Mr. Fox spoke to Glenwood community issues and offered reasons he believed the increase in area residency would benefit the community. He spoke to efforts to work with the neighborhood, noted that disagreement existed among several factions in the neighborhood, and stated the developer had made good faith efforts to try to resolve neighborhood concerns.

Speaking in rebuttal against the proposed ordinances, Mr. Vaughan expressed agreement that the developer had made significant efforts to meet with residents. He shared his opinion that this effort had not addressed the residents' concerns that the project would negatively impact their quality of life and could set a precedent for similar development in the neighborhood.

Mr. Edwards reiterated comments made earlier in the meeting against the proposed ordinances and requested Council to approve a plan that was more compatible with the neighborhood.

Mr. Vaughan noted that no neighbors who were present in the Chamber had spoken in favor of the proposed ordinances and requested Council to vote against the proposed *Comprehensive Plan* amendment and rezoning request.

Councilmember Phillips moved that the public hearing be closed. The motion was seconded by Councilmember Gatten and unanimously adopted by voice vote of Council.

Mr. Hails noted that this was a difficult case to decide. He stated the subject property could be viewed as fronting a major thoroughfare or as internal to the neighborhood, noted the property had been vacant for a long period of time, and spoke to staff's interest in it being an asset to the neighborhood. He stated staff had recommended in favor of the proposal several months ago, but noted that the housing type differed from existing residences.

Councilmember Bellamy-Small complimented the Glenwood neighborhood for working together to get community input on these matters. She spoke to the transitional nature and age of the community with regard to determining the best plans possible for redevelopment and revitalization.

Councilmember Wells spoke to her support of the Glenwood community for their cooperative efforts to insure compatible development in the neighborhood.

Councilmember Phillips called the question. No action was taken.

Mayor Holliday stated that he would support waiting for a better proposal to develop the subject property.

Councilmember Groat spoke to her involvement with Glenwood neighborhood residents and the Neighborhood Congress and noted potential values of this scale of development in terms of revitalizing the Glenwood neighborhood.

Councilmember Phillips moved that the ordinance amending Chapter 30, Section 30-1-10, Relation to the *Comprehensive Plan*, to consider an amendment to the Connections 2025 Comprehensive Plan Generalized Future Land Use Map (Figure 4-2) from the Low Residential to the High Residential land use classification for a portion of the property located on the north side of Freeman Mill Road between Willomore Street and Glenwood Avenue be DENIED. The motion was seconded by Councilmember Gatten; the ordinance was DEFEATED on the following roll call vote: Ayes: Bellamy-Small, Carmany, Gatten, Groat, Holliday, Johnson, Phillips, and Wells. Noes: Barber.

(A copy of the ordinance as introduced and DEFEATED is filed in Exhibit Drawer P, Exhibit 19, and is hereby referred to and made a part of the minutes.)

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Speaking to the rezoning ordinance, Councilmember Bellamy-Small emphasized her position on the importance of including the residents of the Glenwood neighborhood in determining future redevelopment options.

Councilmember Bellamy-Small thereupon moved DENIAL of the ordinance rezoning from RS-7 Residential Single-Family to Conditional District-RM-18 Residential Multifamily for property located on the north side of Freeman Mill Road between Willomore Street and Glenwood Avenue as follows: The Greensboro City Council believes that its action to DENY the zoning amendment, located on Freeman Mill Road from RS-7 to CD-RM-18, to be inconsistent with the adopted *Connections 2025 Comprehensive Plan* and considers the action taken to be reasonable in the public interest because the following factors support Denial of the rezoning request: 1) Policy 6A.4: Implement measures to protect negative impacts of development that are inconsistent with the neighborhoods' livability, architectural or historical character and reinvestment potential and 2) Other factors raised at the public hearing. The motion was seconded by Councilmember Carmany.

Councilmember Gatten stated that she was opposed to the proposed development because it was, in her opinion and the opinion of the *Comprehensive Plan* Monitoring Committee, incompatible with the existing neighborhood and did not support the *Comprehensive Plan*, which called for protection of neighborhoods.

Councilmember Groat shared her opinion that it was desirable to have more private developers involved in redevelopment of the Glenwood area.

Councilmember Johnson discussed potential options for moving forward with a planning process for the Glenwood neighborhood.

During additional discussion Assistant City Manager Ben Brown provided a brief summary of potential redevelopment or revitalization options and processes that might be applicable to the Glenwood community.

Councilmember Bellamy-Small requested Assistant City Manager Brown to meet with Glenwood neighborhood representatives to inform them of various planning processes involving the City that could be used for revitalization or redevelopment.

Councilmember Phillips called the question. He stated a vote of 2/3 of the elected body was necessary to overrule calling the question. Council unanimously supported calling the question by voice vote.

The ordinance was DEFEATED on the following roll call vote: Ayes: Bellamy-Small, Carmany, Gatten, Groat, Holliday, Johnson, Phillips and Wells. Noes: Barber.



(A copy of the ordinance as introduced and DEFEATED is filed in Exhibit Drawer P, Exhibit Number 19, and is hereby referred to and made a part of the minutes.)

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The Mayor declared a recess at 7:55 p.m.

The meeting reconvened at 8:10 p.m. with all members of Council present.

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Mayor Holliday stated that this was the time and place set for a public hearing to consider an ordinance rezoning from RS-12 Residential Single Family to Conditional District—RM-12 Residential Multifamily for property located at the northwest quadrant of Pisgah Church Road and Sheridan Road. He stated this matter was being heard on appeal filed by Lana Stone after receiving a vote of 9 to 0 by the Zoning Commission to recommend approval of the request.

Mr. Hails presented a context map and slides to describe the subject property and surrounding area. He summarized the request and read the conditions attached to the rezoning request into the record.

The Mayor asked if anyone present wished to speak to this matter.

The following speaker spoke in favor of the rezoning request:

Jerone Pearson, residing at 2000 East Wendover Avenue, presented a letter written from him to a neighbor of the subject property that proposed additional conditions to address neighbor's concerns; and for illustrative purposes, reviewed a diagram of the project plan. He stated neighbors had expressed concern with respect to the elevation of the driveway; outlined aspects of the proposed development; and spoke to design details for illustrative purposes. Mr. Pearson advised that the property would be developed under City guidelines and requested Council to approve the rezoning request.

The City Attorney reminded Council that they could only consider criteria defined in the conditions of the proposal as the basis for their decision.

Mr. Pearson requested Council to consider amending the proposed rezoning ordinance with the following conditions:

- A) The townhouses will be designed and built as: "For Sale Units"
- B) The townhouses exteriors will be constructed of wood, masonry materials and vinyl siding.

Councilmember Phillips moved to add the proposed conditions as requested by Mr. Pearson. The motion was seconded by Councilmember Carmany and unanimously adopted by voice vote of Council.

The Mayor asked if anyone present wished to speak in opposition to the rezoning request.

Tim Jones, owner of property located at 4004 Sheridan Road, stated he had filed a protest petition with the City Clerk's Office on January 19, 2006 and noted that he had been informed by Legal Department staff that Greensboro was exempt from the North Carolina General Statute regulating protest petitions. After Mr. Jones requested Council to acknowledge the petition, the City Attorney requested those who gathered the signatures to confirm that they had witnessed the signing of the petition. Tim Jones, Ginny Lockhart, Pam Greer, and Jackie Austin stated they had witnessed the signatures on the protest petition. (The petition is filed in Exhibit Drawer P, Exhibit Number 19, and is hereby referred to and made a part of the minutes).

Mr. Jones expressed concerns with respect to the proposed density of the development and its potential negative impact on traffic conditions; the limited width of the path for ingress and egress into the Sheridan Road community; existing related traffic sources; and the absence of sidewalks. He asserted that the current shared road specifications would not provide two exit lanes at present or in the future and suggested that the entrance to the proposed Willoughby Crest require three lanes in the future instead of the two lanes proposed. Mr. Jones spoke to width requirement for two exit lanes and shared his opinion that widening the ingress and egress was needed before problems with school busses, emergency vehicles, etc. arose.

The Mayor clarified that a lane in each direction with a middle turn lane would allow traffic at peak hours to get in and out of the development.

Ginny Lockhart, residing at 400 Sheridan Road, stated she had discussed concerns with Mr. Pearson, and noted she did not want the rezoning request granted unless traffic safety concerns were adequately addressed.

In response to Councilmember Phillips, Jim Westmoreland, Transportation Department Director, stated he would provide information regarding the Heritage condominium development with respect to whether that side of the street had been widened or remained ribbon pavement.

Ms. Lockhart stated that Mr. Pearson had been unwilling to add specifications for the ingress/egress path to the conditions he proposed.

Mr. Westmoreland advised that the Technical Review Committee would determine appropriate requirements for the developer.

Councilmember Phillips discussed the process for adding an extra lane with respect to the developer's requirements and that assessments would be levied on other properties that would use these lanes.

Mr. Hails spoke to provisions in the Development Ordinance that allowed the applicant or citizen to request modifications to normal development standards, and provided an avenue for appeals to the Planning Board and City Council if dissatisfied with the Technical Review Committee's decision. He stated the final decision would be based on findings in terms of equal or better performance.

Jackie Austin, residing at 3909 Sheridan Road, stated she lived across from a neighborhood park, which she reported attracted considerable vehicles from outside the immediate neighborhood on a daily basis for sports activities. Ms. Austin cited additional neighborhood activities that increased traffic and shared her opinion that turning left onto Pisgah Church Road was difficult, even at non-peak times.

Mr. Westmoreland stated the level of traffic in the neighborhood was not high enough to require a traffic study. He discussed details of a traffic generation projection staff had prepared which was based on the proposal with one access; stated that in his professional opinion, the proposed development would not generate traffic that exceeded the road's capability; and provided additional explanation supporting this opinion.

Councilmember Carmany moved that the public hearing be closed. The motion was seconded by Councilmember Gatten and unanimously adopted by voice vote of Council.

Mr. Hails stated the *Connections 2025 Comprehensive Plan* Generalized Future Land Use Map called for moderate residential development and cited other aspects of Comprehensive Plan policies including diversification. He noted that Pisgah Church Road and Lees Chapel Road had been designated a scenic corridor in 1996 and that the Comprehensive Plan called for mixed residential use with no commercial development. Mr. Hails stated that the context of development, near the edge of moderate low residential classification and adjacent to multifamily parcels, was less prevalent as an issue than traffic and advised that frontage on a major thoroughfare and several nearby multi-family tracks indicated the proposal was compatible.

Councilmember Phillips expressed his disagreement, citing a 50% increase from RM-8 density to RM-12 as a proportionally huge change. After he expressed concern with respect to existing traffic issues, Councilmember Phillips stated he could not support the request because of the additional traffic it would generate on Sheridan Road.

Councilmember Johnson moved adoption of the ordinance as follows: The Greensboro City Council believes that its action to approve the zoning amendment, located on Pisgah Church Road from RS-12 to CD-RM-12, to be consistent with the adopted *Connections 2025 Comprehensive Plan* and considers the action taken to be reasonable and in the public interest because: 1) The amendment is generally consistent with the land use category indicated for this site on the *Connections 2025 Generalized Future Land Use*, Moderate Residential. 2) Policy 6A.2: Promote mixed-income neighborhoods. 3) Policy 6C: Promote the diversification of new housing stock to meet the needs of all citizens for suitable, affordable housing. The motion was seconded by Councilmember Wells; the ordinance was adopted on the

following roll call vote: Ayes: Bellamy-Small, Barber, Carmany, Holliday, Johnson, and Wells. Noes: Groat, Gatten, and Phillips.

#### 06-14 AMENDING OFFICIAL ZONING MAP

#### NORTHWEST QUADRANT OF PISGAH CHURCH ROAD AND SHERIDAN ROAD

#### BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

Section 1. The Official Zoning Map is hereby amended by rezoning from RS-12 Residential Single Family to Conditional District – RM-12 Residential Multifamily (subject to those conditional uses with limitations as set forth in Sections 2, 3 and 4 of this ordinance) the area described as follows:

BEGINNING at a point in the northwestern right-of-way line of Pisgah Church Road, said point being a common corner with Alex Troxler Heirs as recorded in Deed Book 307, Page 226 in the Office of the Guilford County Register of Deeds; thence S89°20'14"W 125.85 feet to a point; thence N00°49'19"E 531.00 feet to a point; thence S85°50'08"W 144.39 feet to a point; thence N00°08'52"W 111.73 feet to a point in a former road closed per Deed Book 3422, Page 291; thence N88°56'18"E 500.40 feet to a point in the western right-of-way line of Sheridan Road; thence crossing Sheridan Road N88°56'18"E 50 feet to a point in the eastern right-of-way line; thence along said eastern right-of-way line in a southeasterly direction approximately 248 feet to a point in the intersection with the northwestern right-of-way line of Pisgah Church Road; thence crossing Pisgah Church Road along a straight line projection in a southeasterly direction 70 feet to a point in the southwestern right-of-way line; thence along said southwestern right-of-way line in a southwesterly direction approximately 468 feet to a point; thence crossing Pisgah Church Road S89°20'14"W approximately 85 feet to the point and place of BEGINNING, as shown on "Willoughby Crest Townhomes Pisgah Church Rd. & Sheridan Rd." prepared by Borum, Wade and Associates, P.A. and dated November 1, 2005.

Section 2. That the rezoning of RS-12 Residential Single Family to Conditional District – RM-12 Residential Multifamily is hereby authorized subject to the following use limitations and conditions:

- 1) Maximum of 1 vehicle access point on Pisgah Church Road and 1 vehicle access point on Sheridan Road.
- 2) Sidewalks will be constructed to meet GDOT standards along Pisgah Church and Sheridan Roads.
- 3) Structures will not exceed 3 floors above ground level.
- 4) A solid wooden fence will be constructed along the northern property line to a height of 5 feet.
- 5) A wooden shadow box fence will be constructed to a height of 4 feet along Pisgah Church Road to the southern edge of the Sheridan Road access point.
- 6) The Pisgah Church Road entrance will be a split driveway with an island for the placement of a lighted development sign.
- 7) The townhouses will be designed and built as: "For Sale Units".
- 8) The townhouses exteriors will be constructed of wood, masonry materials and vinyl siding.

Section 3. This property will be perpetually bound to the uses authorized and subject to such conditions as imposed, unless subsequently changed or amended as provided for in Chapter 30 of the Greensboro Code of Ordinances. Final plans for any development shall be submitted to the Technical Review Committee for approval.

Section 4. Any violations or failure to accept any conditions and use limitations imposed herein shall be subject to the remedies provided in Chapter 30 of the Greensboro Code of Ordinances.

Section 5. This ordinance shall be effective on the date of adoption.

(Signed) Yvonne Johnson

The City Attorney stated that in Greensboro, only the applicant could appeal the Technical Review Committee's requirements to the Planning Board. She advised Council that if neighborhood residents approached them, they had the authority to instruct the Transportation Department to widen the street. The Mayor stated speakers from the floor could make such a request of the City Council.

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Mr. Westmoreland spoke briefly to standards staff would use to evaluate roadway capacity and the to the value of sidewalks in the park area in terms of safety.

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Mayor Holliday stated that Agenda Item #12, an ordinance rezoning from Conditional District RM-5 residential Multifamily to Conditional District-Limited Business for property located on the east side of Fleming Road between Chance Road and David Christian Place, had been continued to the February 7, 2006 Council meeting earlier in the meeting.

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The Mayor stated that this was the time and place set for a public hearing to consider an ordinance amending Chapter 30, Sec. 30-4-4.3(F), Scenic Corridor Overlay District-2 (SCOD-2), and Table 30-5-5-2, Specifications for Accessory Freestanding Signs requiring a permit, to increase sign height and square footage for buildings larger than 200,000 square feet in size.

Mr. Hails explained that the proposed ordinance would allow slightly larger and taller signs for placement on large buildings such as super center stores, in limited circumstances where the traveling public would be served with larger signs.

Councilmember Phillips stated he would support the ordinance, but questioned the comprehensiveness of the criteria involved in the provision. After Mr. Hails cited various permissible criteria, Councilmember Phillips requested this provision be examined during the current Land Use Ordinance review.

The Mayor asked if anyone present wished to speak to this matter.

Derek Allen, representing Replacements Unlimited, LLC, offered brief comments with regard to sign regulation and stated he was available to answer questions.

Councilmember Johnson moved that the public hearing be closed. The motion was seconded by Councilmember Gatten and unanimously adopted by voice vote of Council.

Councilmember Phillips moved adoption of the ordinance. The motion was seconded by Councilmember Bellamy-Small; the ordinance was adopted on the following roll call vote: Ayes: Barber, Bellamy-Small, Carmany, Gatten, Groat, Holliday, Johnson, Phillips and Wells.

#### 06-17 AMENDING CHAPTER 30

#### AN ORDINANCE AMENDING THE GREENSBORO CODE OF ORDINANCES WITH RESPECT TO ZONING, PLANNING AND DEVELOPMENT

Section 1. That Section 30-4-4.3(F), Scenic Corridor Overlay District-2 (SCOD-2) Established, is hereby amended by rewriting the table in Subsection 30-4-4.3(F)(5)(b) to read as follows:

<i>Development Size</i>	<i>Maximum Height</i>	<i>Maximum Size</i>
< 25,000 sq. ft.	6 ft.	50 sq. ft.
25,000 - 49,999 sq. ft.	10 ft.	90 sq. ft.
50,000 - <del>100,000</del> 99,999 sq. ft.	15 ft.	140 sq. ft.
≥100,000 - <del>200,000</del> sq. ft.	20 ft.	200 sq. ft.
≥ 200,000 sq. ft.	<u>30 ft.</u>	<u>200 sq. ft.</u>

Section 2. That Table 30-5-5-2, Specifications for Accessory Freestanding Signs Requiring a Permit, is hereby amended by rewriting Footnote D to read as follows:

“d        The maximum size of a sign may be increased by 75 square feet if the sign is within 400 feet of the right-of-way of an Interstate Highway. For buildings in excess of 200,000 square feet, the maximum size of a sign within 400 feet of the right-of-way of an Interstate Highway may be increased by 25%.”

Section 3. All ordinances in conflict with the provisions of this ordinance are repealed to the extent of such conflict.

Section 4. This ordinance shall be effective upon the date of adoption.

(Signed) Thomas M. Phillips

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Councilmember Phillips clarified his position, that he opposed billboards, not signs.

Councilmember Johnson stated she had received a phone call with regard to a sign on the side of a building and requested clarification on what constituted a sign versus a billboard.

Mr. Hails explained the difference in criteria for the definitions of a billboard and a sign; noted differences in limitations to private business and non profit agencies; and stated he had discussed how non commercial messaging might be implemented in downtown Greensboro with Ray Gibbs, Director of Downtown Greensboro, Inc.

During discussion, Councilmember Barber expressed his opinion that people should be allowed to put up signs downtown to promote commerce and questioned the allowance of art displays because of financial advantages that could provide.

The Mayor requested that this topic be added to a future Council briefing.

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Moving to the Consent Agenda, The Mayor requested Council to delete Agenda Item #18, a resolution approving bid in the amount of \$896,630.75 and authorizing Contract No. 2005-047 with Page Construction Company for the Summit Avenue Outfall Project from the Consent Agenda. He stated staff intended to bring this to Council for consideration at a later date.

Councilmember Phillips moved that Agenda Item #18 be deleted from the Consent Agenda. The motion was seconded by Councilmember Carmany and unanimously adopted by voice vote of Council.

After Councilmember Gatten removed Agenda Item #14 and Councilmember Bellamy-Small removed Agenda Item #24 from the Consent Agenda, Councilmember Phillips moved adoption of the Consent Agenda as amended. The motion was seconded by Councilmember Gatten; the amended Consent Agenda was adopted on the following roll call vote: Ayes: Barber, Bellamy-Small, Carmany, Gatten, Groat, Holliday, Johnson, Phillips, and Wells. Noes: None.

06-15    ORDINANCE AMENDING THE LIBRARY BUDGET FOR THE NEIGHBORHOOD RESOURCE CENTER  
          AT THE GLENWOOD BRANCH OF THE GREENSBORO PUBLIC LIBRARY

Section 1:

BE IT ORDAINED BY THE CITY OF GREENSBORO:

That the FY 05-06 Budget of the City of Greensboro is hereby amended as follows:

That the appropriation for the State, Federal and Other Grants Fund be increased as follows:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
220-5515-02.5211	Postage	\$300
220-5515-02.5224	Outside Printing	2,536

220-5515-02.5413	Consultant Services	41,728
220-5515-02.5520	Seminar/Training Expenses	1,500
220-5515-02.5540	Mileage Reimbursement	<u>2,436</u>
Total		\$48,500

And, that this increase be financed by increasing the following State, Federal and Other Grants Fund account:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
220-5515-02.8620	Donations & Private Contributions	<u>\$48,500</u>
Total		\$48,500

#### Section 2:

And, that this ordinance should become effective upon adoption.

(Signed) Thomas M. Phillips

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06-16 ORDINANCE AMENDING THE COUNTY CONSTRUCTION PROJECTS FUND BUDGET FOR THE TWILLA ACRES SUBDIVISION WATER, SEWER, SEWER OUTFALL, AND RANHURST ROAD EXTENSION.

#### Section 1

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That the County Construction Projects Fund Budget of the City of Greensboro is hereby amended as follows:

That the appropriation to the County Construction Projects Fund be increased as follows:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
504-7038-01.6016	Water Lines	\$ 792,115
504-7038-01.6017	Sewer Lines	<u>\$ 449,493</u>
TOTAL		\$1,241,608

And that this increase be financed by increasing the following County Construction Projects Fund account:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
504-7038-01.8040	Contracted Services-Guilford County	<u>\$1,241,608</u>
TOTAL		\$1,241,608

#### Section 2

And, that this ordinance should become effective upon adoption.

(Signed) Thomas M. Phillips

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04-06 RESOLUTION APPROVING BID AND AUTHORIZING EXECUTION OF CONTRACT NO. 2006-004 WITH YATES CONSTRUCTION, INC. FOR THE TWILLA ACRES WATER, SEWER, SEWER OUTFALL, AND

RANHURST ROAD EXTENSION PROJECT

WHEREAS, after due notice, bids have been received for the Twilla Acres Water, Sewer, Sewer Outfall and Ranhurst Road Extension project;

WHEREAS, Yates Construction, Inc., a responsible bidder, has submitted the low base and alternate bid in the total amount of \$1,758,043.61 as general contractor for Contract No. 2006-004, which bid, in the opinion of the City Council, is the best bid from the standpoint of the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That the bid hereinabove mentioned submitted by Yates Construction, Inc. is hereby accepted, and the Mayor and City Clerk are hereby authorized to execute on behalf of the City of Greensboro a proper contract to carry the proposal into effect, payment to be made in the amount of \$1,020,623.25 from Account No. 504-7037-01.6016 Activity No. 03226 and in the amount of \$737,420.36 from Account No. 504-7038-01.6017 Activity No. 03227.

(Signed) Thomas M. Phillips

(A tabulation of bids for Contract No. 2006-004 with Yates Construction, Inc. for the Twilla Acres Water, Sewer, Sewer Outfall, and Ranhurst Road Extension Project is filed with the above resolution and is hereby referred to and made a part of the minutes.)

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5-06 RESOLUTION AUTHORIZING PURCHASE OF PROPERTY OF DR. NUMA AND CAROLYN W. COBB FOR THE NEW GARDEN ROAD PHASE II WIDENING PROJECT

WHEREAS, in connection with the New Garden Road Phase II Widening project, the property owned by Dr. Numa and Carolyn W. Cobb, Tax Map No. 3-175-832-2 is required by the City for said Project, said property being shown on the attached map;

WHEREAS, the required property had been appraised at a value of \$56,000.00 and, after negotiations with the owner, an offer contract from a willing buyer for the property was provided to Property Management indicating that the property value for this property had changed significantly, and the owner has agreed to settle for the price of \$190,000.00, which settlement, in the opinion of the City Council, is a fair and reasonable alternative to condemnation;

WHEREAS, the owner has agreed to convey said property to the City at the agreed price and it is deemed in the best interest of the City to acquire said property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That the agreed price of the above mentioned portion of property in the amount of \$190,000.00 is hereby approved, and the purchase of the property in accordance with the agreed price is hereby authorized, payment to be made from Account No. 402-4531-01.6012 activity #03216.

(Signed) Thomas M. Phillips

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6-06 RESOLUTION AUTHORIZING PURCHASE OF PROPERTY OF JOHN W. AND VIRGINIA R. FORBIS FOR THE NEW GARDEN ROAD PHASE II WIDENING PROJECT

WHEREAS, in connection with the New Garden Road Phase II Widening project, the property owned by John W. and Virginia R. Forbis, Tax Map No. 3-175-832-3 is required by the City for said Project, said property being shown on the attached map;

WHEREAS, the required property has been appraised at a value of \$75,785.00, and through negotiations it has been determined that after the acquisition of the necessary easements the property would become un-buildable, and the

owner has agreed to settle for the price of \$82,500.00, which settlement, in the opinion of the City Council, is a fair and reasonable alternative to condemnation;

WHEREAS, the owner has agreed to convey said property to the City at the agreed price and it is deemed in the best interest of the City to acquire said property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That the agreed price of the above mentioned portion of property in the amount of \$82,500.00 is hereby approved, and the purchase of the property in accordance with the agreed price is hereby authorized, payment to be made from Account No. 402-4531-01.6012 activity #03216.

(Signed) Thomas M. Phillips

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7-06     RESOLUTION AUTHORIZING PURCHASE OF PROPERTY OF WILLIAM V. HAMMOND FOR THE NEW GARDEN ROAD PHASE II WIDENING PROJECT

WHEREAS, in connection with the New Garden Road Phase II Widening project, the property owned by William V. Hammond, Tax Map No. 3-175-832-13 is required by the City for said Project, said property being shown on the attached map;

WHEREAS, the required property has been appraised at a value of \$11,326.00 and the owner has agreed to settle for the price of \$22,050.00, which settlement, in the opinion of the City Council, is a fair and reasonable alternative to condemnation;

WHEREAS, the owner has agreed to convey said property to the City at the agreed price and it is deemed in the best interest of the City to acquire said property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That the agreed price of the above mentioned portion of property in the amount of \$22,050.00 is hereby approved, and the purchase of the property in accordance with the agreed price is hereby authorized, payment to be made from Account No. 402-4531-01.6012 activity #03216.

(Signed) Thomas M. Phillips

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8-06     RESOLUTION AUTHORIZING PURCHASE OF PROPERTY OF HELEN PRICE HOOPER AND MARY PRICE HODGIN FOR THE NEW GARDEN ROAD PHASE II WIDENING PROJECT

WHEREAS, in connection with the New Garden Road Phase II Widening project, the property owned by Helen Price Hooper and Mary Price Hodgin, Tax Map No. 3-175-832-12 is required by the City for said Project, said property being shown on the attached map;

WHEREAS, the required property has been appraised at a value of \$19,200.00 and the owner has agreed to settle for the price of \$24,300.00, which settlement, in the opinion of the City Council, is a fair and reasonable alternative to condemnation;

WHEREAS, the owner has agreed to convey said property to the City at the agreed price and it is deemed in the best interest of the City to acquire said property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:



That the agreed price of the above mentioned portion of property in the amount of \$24,300.00 is hereby approved, and the purchase of the property in accordance with the agreed price is hereby authorized, payment to be made from Account No. 402-4531-01.6012 activity #03216.

(Signed) Thomas M. Phillips

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9-06 RESOLUTION AUTHORIZING THE TRANSFER OF 712 BROAD AVENUE FROM THE CITY OF GREENSBORO TO THE GREENSBORO HOUSING DEVELOPMENT PARTNERSHIP, INC.

WHEREAS, on June 1, 2004 the City took a deed in lieu of foreclosure for property located at 712 Broad Avenue in the Ole Asheboro Neighborhood after the homeowner failed to fulfill their obligations on a housing rehabilitation loan;

WHEREAS, on June 7, 2005, City Council passed a resolution authorizing sale of this property to the North Carolina A&T University Foundation, Inc. with a grant of \$39,845 to purchase materials for the necessary work;

WHEREAS, North Carolina A&T University Foundation, Inc. has subsequently rescinded the offer to work on this project;

WHEREAS, Greensboro Housing Development Partnership, Inc. (GHDP) has offered to do the rehabilitation work on this property and has requested a grant secured by a deed of trust in the amount of \$62,568 to cover said costs;

WHEREAS, upon completion of the renovation, GHDP will sell the property at a sales price based upon the after-rehab appraised value of the property to an owner occupant with the net proceeds from the sale to be returned to the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That the transfer of 712 Broad Avenue from the City of Greensboro to the Greensboro Housing Development Partnership, Inc. with a grant secured by a deed of trust in the amount of \$62,568 is hereby approved.

(Signed) Thomas M. Phillips

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11-06 RESOLUTION AUTHORIZING A MASTER SERVICE AGREEMENT WITH DUKE ENERGY FOR THE OPERATION OF THE LANDFILL GAS COLLECTION SYSTEM INSTALLED WITHIN THE PHASE II SECTION OF THE WHITE STREET LANDFILL

WHEREAS, in 1995 Duke Engineering and Services constructed the landfill gas system installed in the Phase II section of the White Street Landfill which it currently operates;

WHEREAS, the gas collection system assists landfill operations with the federally enforced Clean Air Act Requirements;

WHEREAS, the City of Greensboro contracted with Duke Engineering and Services to operate the landfill gas system and inspect the associated transmission lines and, in return, a royalty on the sale of landfill gas is provided to the City;

WHEREAS, Duke Engineering and Services has re-organized and currently operates as Duke Energy and the renewable energy development focus of the company is not within the landfill gas arena;

WHEREAS, Duke Energy has proposed to enter into a Master Service Agreement with the City for the management of the Phase II landfill gas system in which the City will be compensated for time and material associated with operating the existing landfill gas system as well as the City making necessary upgrades in order to maintain regulatory compliance with the Clean Air Act and the facility's Title V air permit.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That a Master Service Agreement between Duke Energy and the City of Greensboro for the operation of the landfill gas collection system installed within the Phase II section of the White Street Landfill subject to the conditions set out above is hereby authorized.

(Signed) Thomas M. Phillips

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12-06 RESOLUTION CALLING A PUBLIC HEARING FOR FEBRUARY 7, 2006 ON THE ANNEXATION OF TERRITORY TO THE CORPORATE LIMITS – LOCATED AT 227 WARD ROAD – 4.65 ACRES

WHEREAS, the owner of all the hereinafter described property, which is contiguous to the City of Greensboro, has requested in writing that said property be annexed to the City of Greensboro;

WHEREAS, Chapter 160A, Section 31 of the General Statutes of North Carolina provides that territory may be annexed after notice has been given by publication one time in a newspaper of general circulation in the city;

WHEREAS, at a regular meeting of the City Council on the 24th day of January, 2006, the following ordinance was introduced:

AN ORDINANCE ANNEXING TERRITORY TO THE CORPORATE LIMITS (LOCATED AT 227 WARD ROAD – 4.65 ACRES)

Section 1. Pursuant to G.S. 160A-31, the hereinafter described territory is hereby annexed to City of Greensboro:

BEGINNING at a point in the existing city limits (as of December 31, 2005) of the City of Greensboro, said point being in the center of a stream and in the west line of Lim Enterprises, Inc., as recorded at Deed Book 6399, Page 840 in the Office of the Register of Deeds of Guilford County; THENCE DEPARTING FROM THE EXISTING CITY LIMITS along said west line N 5° 42' W approximately 400 feet to a point in the south right-of-way line of Ward Road (NCSR # 3024); thence in an easterly direction along said south right-of-way line approximately 435 feet to a point in the east line of Lim Enterprises, Inc.; thence along said east line S 2° 22' 10" W 528.19 feet to an iron pipe in the north line of the State of North Carolina; thence along said north line N 86° 09' 40" W approximately 320 feet to a point in the existing city limits; THENCE PROCEEDING WITH THE EXISTING CITY LIMITS in a northwesterly direction with the centerline of a stream approximately 110 feet to the point and place of BEGINNING, and containing approximately 4.65 acres.

Section 2. The owner agrees to pay to the City of Greensboro an acreage fee of two hundred dollars (\$200.00) per acre for water service and two hundred dollars (\$200.00) per acre for sewer service immediately prior to the time of annexation. Any utility line assessments which may have been levied by the County shall be collected either by voluntary payment or through foreclosure of same by the City. Following annexation, the property annexed shall receive the same status regarding charges and rates as any other property located inside the corporate limits of the City of Greensboro.

Section 3. The owner shall be fully responsible for extending water and sewer service to the property at said owner's expense.

Section 4. From and after the effective date of annexation, the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force within the City and shall be entitled to the same privileges and benefits thereof, subject to the provisions in Sections 2 and 3 above.

Section 5. From and after April 30, 2006, the liability for municipal taxes for the 2005-2006 fiscal year shall be prorated on the basis of 2/12 of the total amount of taxes that would be due for the entire fiscal year. The due date for prorated municipal taxes shall be September 1, 2006. Municipal ad valorem taxes for the 2006-2007 fiscal year and thereafter shall be due annually on the same basis as any other property within the city limits.

Section 6. That this ordinance shall become effective on and after April 30, 2006.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That Tuesday, February 7, 2006 at 5:30 p.m. be fixed as the time and the Council Chambers in the Melvin Municipal Office Building as the place for the public hearing on the proposed annexation of territory to the City of Greensboro as above set out and that this resolution be published in a newspaper published in the City of Greensboro not later than January 28, 2006.

(Signed) Thomas M. Phillips

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13-06 RESOLUTION APPROVING APPRAISAL AND AUTHORIZING PURCHASE OF PROPERTY OF BP OIL FOR THE BURNT POPLAR ROAD IMPROVEMENTS PROJECT

WHEREAS, in connection with the Burnt Poplar Road Solid Waste Transfer Station project, the property owned by BP Oil, Tax Map No. 94-7029-960-05 is required by the City for said Project, said property being shown on the attached map;

WHEREAS, the required property has been appraised at a value of \$19,555.00, which appraisal, in the opinion of the City Council, is fair and reasonable;

WHEREAS, the owner has agreed to convey said property to the City at the appraised price and it is deemed in the best interest of the City to acquire said property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That the appraisal of the above mentioned portion of property in the amount of \$19,555.00 is hereby approved, and the purchase of the property in accordance with the appraisal is hereby authorized, payment to be made from Account No. 554-6509-04.6011 Activity #04103.

(Signed) Thomas M. Phillips

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A motion to approve report of budget adjustments for December 1-31, 2005 was unanimously adopted. A copy of the report is filed in Exhibit Drawer P, Exhibit #1 and is hereby referred to and made a part of the minutes.

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A Motion to approve minutes of special meeting of January 4, 2006 and regular meeting of January 10, 2006 was unanimously adopted.

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Mayor Holliday introduced a resolution authorizing the merger of Summerfield's newly-approved ABC System with the City of Greensboro ABC Board, removed from the Consent Agenda earlier in the meeting.

Council discussed their interest in receiving additional information on costs and benefits of the proposed merger. Speaking on behalf of the ABC Board, Councilmember Bellamy-Small advised that the board wished to provide an update to Council on their activities in the near future.

Councilmember Gatten moved that this matter be continued to the February 21, 2006 Council meeting to allow Council to study financial aspects of the proposal. The motion was seconded by Councilmember Phillips and unanimously adopted by voice vote of Council.

(NOTE: At the January 31, 2006 Council briefing, following receipt of information pertaining to the proposed merger of Summerfield's newly-approved ABC System with the City of Greensboro ABC Board, Council agreed to consider this matter at the February 7, 2006 Council meeting.)

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Mayor Holliday introduced a resolution in support of a \$500,000 Parks and Recreation Trust Fund Grant Application to the State of North Carolina's Parks and Recreation Trust Fund (PARTF) to aid in the development of the Barber Park Master Plan—Phase I, removed from the Consent Agenda earlier in the meeting.

Councilmember Bellamy-Small stated this project had been delayed until June 1, 2006 so that the park could be used until that time.

Councilmember Carmany moved adoption of the resolution. The motion was seconded by Councilmember Phillips; the resolution was adopted on the following roll call vote: Ayes: Barber, Bellamy-Small, Carmany, Gatten, Groat, Holliday, Johnson, Phillips, and Wells. Noes: None.

10-06 RESOLUTION IN SUPPORT OF A \$500,000 PARKS AND RECREATION TRUST FUND GRANT APPLICATION TO THE STATE OF NORTH CAROLINA'S PARKS AND RECREATION TRUST FUND (PARTF) TO AID IN THE DEVELOPMENT OF THE BARBER PARK MASTER PLAN – PHASE I

WHEREAS, Barber Park was identified for significant improvements as a result of the 1998 Parks and Recreation's comprehensive master planning effort;

WHEREAS, Parks and Recreation contracted with a consulting firm to produce a master plan for this regional park after public approval of a Parks and Recreation Bond referendum in 2000;

WHEREAS, Parks and Recreation would like to submit a \$500,000 grant application to the State of North Carolina's Parks and Recreation Trust Fund to aid in the development of the Barber Park Master Plan – Phase I;

WHEREAS, said grant application guidelines require that the local governing board endorse the application;

WHEREAS, the grant also requires that applicants match 50% of the total cost of the project which Parks and Recreation is prepared to do if the grant is received.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:

That it supports a \$500,000 Parks and Recreation Trust Fund Grant Application to the State of North Carolina's Parks and Recreation Trust Fund (PARTF) to aid in the development of the Barber Park Master Plan – Phase I with a 50% match of the total cost by the City of Greensboro Parks and Recreation Department to be paid out of Account No. 443-5002-01.6013 if said grant is received.

(Signed) Sandy Carmany

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Mayor Holliday introduced the resolution attached hereto as Appendix A and entitled "RESOLUTION PROVIDING FOR THE ISSUANCE OF \$10,000,000 GENERAL OBLIGATION STREET IMPROVEMENT BONDS, SERIES 2006", which was read by title and summarized by the City Attorney.

The City Attorney then announced that she had approved said resolution as to form.

Thereupon, upon motion of Councilmember Carmany, seconded by Councilmember Phillips, the resolution entitled:

"RESOLUTION PROVIDING FOR THE ISSUANCE OF \$10,000,000 GENERAL OBLIGATION STREET IMPROVEMENT BONDS, SERIES 2006"

was passed by roll call vote as follows:

Ayes: Councilmembers Barber, Bellamy-Small, Carmany, Gatten, Groat, Holliday, Johnson, Phillips, and Wells.

Noes: None.

Thereupon Mayor Holliday announced that said resolution has passed by a vote of 9 to 0.

APPENDIX A

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RESOLUTION PROVIDING FOR THE ISSUANCE OF  
\$10,000,000 GENERAL OBLIGATION STREET IMPROVEMENT BONDS,  
SERIES 2006

Adopted on January 24, 2006

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PREAMBLE

WHEREAS, the City Council (the “City Council”) of the City of Greensboro, North Carolina (the “City”) has determined and does hereby find, declare and represent:

That an order authorizing not exceeding \$71,750,000 Street Improvement Bonds of the City was adopted by the City Council on August 15, 2000, which order was approved by the vote of a majority of the qualified voters of the City who voted thereon at a referendum duly called and held on November 7, 2000.

That \$17,330,000 principal amount of the Street Improvement Bonds mentioned in subparagraph (a) above has been issued as part of an issue of \$50,000,000 General Obligation Public Improvement Bonds, consisting of (i) \$40,000,000 principal amount of bonds dated February 1, 2003, maturing on February 1 in the years 2004 to 2020, inclusive, and designated, for purposes of identification only, as “General Obligation Public Improvement Bonds, Series 2003A,” and (ii) \$10,000,000 principal amount of bonds dated February 19, 2003, maturing on February 1 in the years 2021 to 2023, inclusive, and designated, for purposes of identification only, “General Obligation Public Improvement Bonds, Series 2003B”.

That no notes have been issued and are outstanding in anticipation of the receipt of the proceeds of the sale of the authorized but unissued Street Improvement Bonds.

That it is necessary at this time to issue an additional \$10,000,000 of the Street Improvement Bonds mentioned in subparagraph (a) above, such bonds to be designated “General Obligation Street Improvement Bonds, Series 2006” (the “Bonds”).

That the maximum period of usefulness of the street improvements to be financed with the proceeds of the Bonds is estimated as a period of at least 20 years from the date of the Bonds to be issued as hereinafter provided, and that such period expires on February 9, 2026.

That the City Council has considered and evaluated both fixed and variable rate debt alternatives.

That the City Council recognizes that current interest rates on fixed rate debt instruments are low and that the estimated rate at which fixed rate debt could be issued by the City is currently less than 4.75%.

That the City Council has considered and recognizes that variable interest rate debt instruments subject the City to the risk of higher interest rates in the future, that the variable rates may be higher than the fixed rates that are currently available to the City, and that in addition to the variable interest cost, the City must pay the fees of the Bank and the Remarketing Agent (both as defined herein), which fees will increase the variable interest cost.

That the City Council believes that issuing the Bonds as variable rate debt is prudent in that it enables the City to take advantage of short-term tax-exempt rates on a portion of its long-term indebtedness.

That representatives of the City have discussed the City’s planned use of variable rate debt with the rating agencies now rating the City’s debt and such agencies are comfortable with the City’s balanced approach.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Greensboro:

DEFINITIONS

*Meaning of Certain Words and Terms.* In addition to words and terms elsewhere defined in this Resolution, the following words and terms as used in this Resolution shall have the following meanings, unless some other meaning is plainly intended:

“Amortization Requirement” means, for any Bond Year, the principal amount of Bonds fixed or computed for retirement by redemption on February 1 of the following Bond Year.

The Amortization Requirements shall be initially as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2024	\$3,335,000	2026	\$3,330,000
2025	3,335,000		

The aggregate amount of such Amortization Requirements shall be equal to the aggregate principal amount of the Bonds, the final installment being payable at maturity and not redeemed. Any principal amount of Bonds retired by purchase or optional redemption in excess of the total amount of the Amortization Requirement, to and including such February 1, shall be credited against and reduce the future Amortization Requirements for the Bonds in such manner as shall be specified in a certificate of the Finance Director filed with the Paying Agent not later than the forty-fifth (45<sup>th</sup>) day prior to the next February 1 on which Bonds are required to be redeemed.

On or before the 45<sup>th</sup> day next preceding any February 1 on which Bonds are to be retired pursuant to the Amortization Requirement, the City may deliver to the Paying Agent for cancellation Bonds required to be redeemed on such February 1 in any aggregate principal amount desired and receive a credit against amounts required to be paid by the City on account of such Bonds in the amount of 100% of the principal amount of any such Bonds so delivered. Any principal amount of Bonds delivered to the Paying Agent and cancelled in excess of the principal amount required to be redeemed on such February 1, shall be credited against and reduce the principal amount of future Amortization Requirements in such manner as shall be specified in a certificate of the Finance Director filed with the Paying Agent not later than the forty-fifth (45<sup>th</sup>) day prior to the next February 1 on which Bonds are required to be redeemed.

It shall be the duty of the Paying Agent, on or before the 15<sup>th</sup> day of February in each Bond Year, to recompute, if necessary, the Amortization Requirement for such Bond Year and all subsequent Bond Years. The Amortization Requirement for such Bond Year as so recomputed shall continue to be applicable during the balance of such Bond Year and no adjustment shall be made therein by reason of Bonds purchased or redeemed or called for redemption during such Bond Year.

“Authorized Denominations” means (i) with respect to any Long-Term Interest Rate Period, \$5,000 and any integral multiple thereof and (ii) with respect to any Short-Term Interest Rate Period or Weekly Interest Rate Period, \$100,000 and any integral multiple of \$5,000 in excess of \$100,000.

“Authorized Liquidity Termination” means a termination of the Liquidity Facility before its expiration date pursuant to provisions in the Liquidity Facility that allow the Bank to terminate its obligation to purchase Bonds immediately upon the occurrence of certain events set forth therein without giving any advance notice to the City.

“Available Moneys” means (i) moneys which have been paid to the Tender Agent by the City and have been on deposit with the Tender Agent for at least 124 days during and prior to which no Event of Bankruptcy shall have occurred, (ii) any other moneys if, in the opinion of nationally recognized counsel experienced in bankruptcy matters (which opinion shall be acceptable to each Rating Agency then rating the Bonds), the application of such moneys will not constitute a voidable preference in the event of the occurrence of an Event of Bankruptcy, and (iii) investment earnings on any of the moneys described in clauses (i) and (ii) of this definition.

“Bank” means Bank of America, N.A. in its capacity as party to the Standby Agreement, until a Substitute Liquidity Facility is issued and effective in accordance with Section 207 hereof, and thereafter “Bank” shall mean the obligor on such Substitute Liquidity Facility; provided, however, that the City may not be the obligor on a Substitute Liquidity Facility unless it shall have received the prior written consent of the Commission.

“Bank Bond Interest Rate” means Bank Bond Interest Rate as defined in Section 1.01 of the Standby Agreement.

“Bank Bonds” means any Bonds purchased with moneys described in Section 403(b)(ii) hereof until such Bonds are remarketed as provided in Section 404 hereof and the Tender Agreement.



“Bond Counsel” means a firm of attorneys knowledgeable and experienced in the law relating to municipal securities and the law relating to the federal and State of North Carolina taxation of interest thereon and retained by the City.

“Bond Interest Term” means, with respect to any Bond, each period established in accordance with Section 205(f) hereof during which such Bond shall bear interest at a Bond Interest Term Rate.

“Bond Interest Term Rate” means, with respect to each Bond, a non-variable interest rate on such Bond established periodically in accordance with Section 205(f) hereof.

“Bond Purchase Fund” means the fund so designated which is established with the Tender Agent pursuant to the Tender Agreement and Section 401(b)(ii) hereof.

“Bonds” means the Bonds so designated by and issued under Section 201 hereof.

“Bond Year” means the period commencing on February 1 of any year and ending on the last day of January of the following year; provided, however, that the initial Bond Year shall commence on the date of original issuance of the Bonds and end on January 31, 2007.

“Business Day” means any day other than (i) a Saturday, a Sunday or any other day on which banks located in the cities in which the principal corporate trust office of the Paying Agent and the Principal Offices of the Tender Agent and the Remarketing Agent are located or in which the office of the Bank from which payments are made pursuant to the Liquidity Facility is located, are authorized or required to remain closed or (ii) a day on which the New York Stock Exchange is closed.

“City” means the City of Greensboro, North Carolina and any successor or successors thereto.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commission” means the Local Government Commission of North Carolina, a division of the Department of State Treasurer, and any successor or successors thereto.

“Event of Bankruptcy” means the commencement of a case by the City under the U.S. Bankruptcy Code or under any other domestic bankruptcy act or any similar act which hereafter may be enacted (other than such proceeding initiated by the City against third parties other than the City), unless such case shall have been dismissed and such dismissal shall be final and not subject to appeal.

“Favorable Opinion of Bond Counsel” means a written opinion of Bond Counsel, addressed to the City, the Paying Agent, the Tender Agent, the Remarketing Agent and the Bank, to the effect that the action proposed to be taken is authorized or permitted by the laws of the State of North Carolina and this Resolution and will not adversely affect any exclusion from gross income for federal income tax purposes, or any exemption from State of North Carolina income taxes, of interest on the Bonds.

“Finance Director” means the Finance Director of the City or the officer succeeding to his principal duties.

“Fitch” means Fitch, Inc., its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City with the approval of the Remarketing Agent.

“General Account” means the account bearing such name which is created in the Bond Purchase Fund pursuant to the Tender Agreement.

“Interest Accrual Date” means (a) as to Bonds other than Bank Bonds, (i) with respect to any Weekly Interest Rate Period, the first day thereof and, thereafter, the first Business Day of each calendar month during that Weekly Interest Rate Period, (ii) with respect to any Long-Term Interest Rate Period, the first day thereof and, thereafter, each Interest Payment Date in respect thereof, other than the last such Interest Payment Date, and (iii) with respect to each Bond Interest Term within a Short-Term Interest Rate Period, the first day thereof, and (b) as to Bank Bonds, the date such Bank Bonds were

purchased with moneys described in Section 403(b)(ii) hereof and, thereafter, the first Business Day of each calendar month.

“Interest Payment Date” means (i) with respect to any Weekly Interest Rate Period, the first Business Day of each calendar month, commencing March 1, 2006, (ii) with respect to any Long-Term Interest Rate Period, each February 1 and August 1, or, if any such February 1 or August 1 shall not be a Business Day, the next succeeding Business Day, (iii) with respect to any Bond Interest Term, the day next succeeding the last day thereof, and (iv) with respect to each Interest Rate Period, the day next succeeding the last day thereof; provided, however, that interest on any Bank Bonds shall be paid on the dates specified in the Liquidity Facility pursuant to which such Bank Bonds were purchased with moneys advanced by the Bank.

“Interest Rate Period” means any Weekly Interest Rate Period, Short-Term Interest Rate Period or Long-Term Interest Rate Period.

“Liquidity Facility” means the Standby Agreement and any Substitute Liquidity Facility.

“Liquidity Provider Account” means the account bearing such name which is created in the Bond Purchase Fund pursuant to the Tender Agreement.

“Long-Term Interest Rate” means, with respect to each Bond, a term, non-variable interest rate on such Bond established in accordance with Section 205(e) hereof.

“Long-Term Interest Rate Period” means each period during which a Long-Term Interest Rate is in effect.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City with the approval of the Remarketing Agent.

“Opinion of Counsel” means an opinion in writing signed by an attorney or firm of attorneys acceptable to the Paying Agent and the Bank which may be counsel for the City or other counsel.

“Owner” means a person in whose name a Bond is registered in the registration books provided for in Section 210 hereof.

“Paying Agent” means the Paying Agent appointed with respect to the Bonds pursuant to Section 210 hereof and at the time serving as such under this Resolution whether the original or a successor Paying Agent.

“Principal Office” means, with respect to the Tender Agent or the Remarketing Agent, the address for such party set forth in Section 604 hereof, as it may be changed from time to time pursuant to the provisions of Section 604 hereof.

“Rating Agency” means Fitch, Moody’s and S&P.

“Rating Confirmation Notice” means a written notice from each Rating Agency then rating the Bonds confirming that the ratings on the Bonds will not be lowered or withdrawn (other than a withdrawal of a short-term rating upon an adjustment of the interest rate on the Bonds to a Long-Term Interest Rate to their maturity date) solely as a result of the action proposed to be taken.

“Record Date” means, with respect to any Interest Payment Date, (i) in respect of any Weekly Interest Rate Period or any Bond Interest Term, the Business Day immediately preceding such Interest Payment Date and (ii) in respect of any Long-Term Interest Rate Period, the fifteenth (15th) day of the calendar month immediately preceding such Interest Payment Date, whether or not a Business Day, or, in the event that an Interest Payment Date shall occur less than fifteen (15) days after the first day of a Long-Term Interest Rate Period, such first day.

“Remarketing Account” means the account bearing such name which is created in the Bond Purchase Fund pursuant to the Tender Agreement.

“Remarketing Agent” means the initial and any successor remarketing agent appointed in accordance with Section 401(a) hereof.

“Remarketing Agreement” means the Remarketing Agreement, dated as of February 1, 2006, between the City and the Remarketing Agent, as the same may be amended or supplemented from time to time, or any remarketing agreement entered into with a successor Remarketing Agent.

“Resolution” means this Resolution, including any resolution amendatory hereof or supplemental hereto.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., its successors and assigns, and if S&P shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City with the approval of the Remarketing Agent.

“Securities Depository” means The Depository Trust Company, New York, New York, or other recognized securities depository selected by the City, which maintains a book-entry system in respect of the Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

“Securities Depository Nominee” means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Paying Agent the Bonds to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

“Short-Term Interest Rate Period” means each period, comprised of Bond Interest Terms, during which Bond Interest Term Rates are in effect.

“Standby Agreement” means the Master Standby Bond Purchase Agreement, dated as of February 1, 2006, between the City and the Bank.

“State” means the State of North Carolina.

“Substitute Liquidity Facility” means a facility meeting the requirements set forth in Section 207 hereof.

“Tender Agent” means the initial and any successor tender agent appointed in accordance with Section 401(b) hereof.

“Tender Agreement” means the Tender Agent Agreement, dated as of February 1, 2006, among the City, the Tender Agent and the Remarketing Agent, as supplemented or amended.

“Undelivered Bonds” means any Bonds so designated in accordance with the provisions of Section 206(e)(i) or 206(f)(ii) hereof.

“Weekly Interest Rate” means a variable interest rate on the Bonds established in accordance with Section 205(d) hereof.

“Weekly Interest Rate Period” means each period during which a Weekly Interest Rate is in effect for the Bonds.

*Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words or terms “Bond”, “Owner” and “person”, shall include the plural as well as the singular number and the word “person” shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.*

*Computation of Time. In this Resolution, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” mean “to but excluding.”*

## ISSUANCE AND DETAILS OF BONDS

Issuance of Bonds. Pursuant to the respective orders mentioned in the preamble to this Resolution, there shall be issued bonds of the City in the aggregate principal amount of \$10,000,000, which shall be designated "General Obligation Street Improvement Bonds, Series 2006" and shall be stated to mature (subject the right of prior redemption as hereinafter set forth) on February 1, 2026.

Form of Bonds. The Bonds are issuable in fully-registered form in Authorized Denominations, shall be numbered and shall be substantially in the form hereinafter set forth, with such appropriate variations, omissions and insertions as may be necessary or appropriate to conform to the provisions of this Resolution. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto. If at any time an Owner of Bonds shall not be a Securities Depository or Securities Depository Nominee, the City agrees that it will deliver printed bond certificates for such Bonds to the Paying Agent to be used for exchanges and registrations of transfer of Bonds in accordance with Sections 209 and 210 hereof.

[Form of Bonds]

No. R-\_\_

\$ \_\_\_\_\_

United States of America  
State of North Carolina  
County of Guilford

CITY OF GREENSBORO  
GENERAL OBLIGATION STREET IMPROVEMENT BOND,  
SERIES 2006

ORIGINAL ISSUANCE DATE

MATURITY DATE

CUSIP

February 9, 2006

February 1, 2026

395460

For Long-Term Interest Rate Period Only

Type of Interest  
Rate Period:

Interest Rate for  
Long-Term Interest  
Rate Period Only:

Mandatory Tender Date  
for Long-Term  
Interest Rate Period:

For Short-Term Interest Rate Period Only

Interest	First Day of Bond	First Day of		
<u>Rate (%):</u>	Interest Term	Next Bond		
	and Interest	Interest Term	Interest Due	Number of Days
	<u>Accrual Date:</u>	and Interest	on Next Interest	in Bond Interest
		<u>Payment Date:</u>	<u>Payment Date:</u>	<u>Term</u> _____:

REGISTERED OWNER \_\_\_\_\_ CEDE & CO.  
PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Greensboro, North Carolina (the "City"), a municipal corporation located in the County of Guilford, is justly indebted and for value received hereby promises to pay, in the manner hereinafter provided, to the registered owner

set forth above or registered assigns or legal representative on the Maturity Date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal corporate trust office of First-Citizens Bank & Trust Company, as paying agent (the "Paying Agent"), in Raleigh, North Carolina, the principal amount set forth above. Such payment of principal shall be by check; provided, however, that principal shall be paid by wire transfer (in the continental United States) of immediately available funds to any Owner of at least \$1,000,000 in aggregate principal amount of Bonds outstanding, at its option, in each case according to wire instructions given to the Paying Agent in writing for such purpose in accordance with the procedures prescribed by the Paying Agent. The City also promises to pay interest on such principal amount from the Interest Payment Date (as hereunder defined) next preceding the date on which this Bond is authenticated to which interest shall have been paid unless it is authenticated on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated prior to the first Interest Payment Date, in which event it shall bear interest from the Original Issuance Date set forth above, payable on March 1, 2006, and on each Interest Payment Date thereafter, at the rates per annum determined as described herein or, if this Bond shall be a Bank Bond (as defined in the Resolution hereinafter mentioned), at the greater of (i) the rates per annum determined as provided herein and (ii) the rate per annum applicable to Bank Bonds determined pursuant to the Liquidity Facility hereinafter mentioned or any Substitute Liquidity Facility, until such principal amount is paid. The interest so payable or duly provided for on any Interest Payment Date will be paid to the person in whose name this Bond is registered at the close of business on the Record Date (as hereinafter defined) for such interest, which shall be, in the case of a Long-Term Interest Rate Period (as hereinafter defined) for any Bonds (as hereinafter defined), the 15th day of the calendar month immediately preceding such Interest Payment Date, whether or not a Business Day, or, in the event that an Interest Payment Date shall occur less than 15 days after the first day of a Long-Term Interest Rate Period, such first day and, in the case of any other Interest Rate Period, the Business Day immediately preceding such Interest Payment Date. All such payments shall be made in lawful money of the United States of America. Interest on this Bond is payable by (i) check mailed on the date on which due to the registered owner hereof at the address of such registered owner shown on the registration books kept by the Paying Agent, as of the close of business on the Record Date in respect of such interest, or (ii) in the case of (A) Bonds bearing interest at Bond Interest Term Rates or (B) Bonds bearing interest other than at a Bond Interest Term Rate owned by a person who is the registered owner of Bonds in an aggregate principal amount of at least \$1,000,000 and who, prior to the Record Date next preceding any Interest Payment Date, shall have provided the Paying Agent with wire transfer instructions, by wire transfer (in the continental United States) of immediately available funds; provided, however, that while the Bonds bear interest at Bond Interest Term Rates, interest payable hereon is payable only upon presentation hereof to First-Citizens Bank & Trust Company, as tender agent (the "Tender Agent"), at its Principal Office for the delivery of Bonds. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of the City are hereby irrevocably pledged.

This Bond is one of an issue of bonds designated "General Obligation Street Improvement Bonds, Series 2006" (the "Bonds") and issued by the City for the purpose of providing funds, together with any other available funds, for financing street improvements for the City and this Bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, an order duly adopted by the City Council for the City, which order was approved by the vote of a majority of the qualified voters of the City who voted thereon at a referendum duly called and held, and a resolution duly passed by said City Council on January 24, 2006 (the "Resolution").

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One Bond certificate, registered in the name of the Securities Depository Nominee, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations thereof being evidenced in the records of such participants. Transfers of ownership will be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The City, the Paying Agent and the Tender Agent will recognize the Securities Depository Nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including (i) payments of principal and purchase price of, and redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting. Transfer of principal, purchase price, interest and any redemption premium payments to participants of the Securities Depository will be the responsibility of the Securities Depository, and transfer of principal, purchase price, interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The City, the Paying Agent and the Tender Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, the Securities Depository's participants or persons acting through such participants. While the Securities Depository Nominee is the registered owner of this Bond, notwithstanding the provisions hereinabove contained, payments

of principal and purchase price of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements between the Paying Agent and the Tender Agent or their respective successors under the Resolution and the Securities Depository.

The City and Bank of America, N.A. (the “Bank”), have entered into a Master Standby Bond Purchase Agreement, dated as of February 1, 2006 (the “Standby Agreement”), which provides for the purchase of Bonds by the Bank on or prior to the date the interest rate on the Bonds is established at a fixed rate until their stated maturity under the terms and conditions set forth in the Resolution and the Standby Agreement. Subject to compliance with certain conditions, the Standby Agreement may be replaced by a Substitute Liquidity Facility and, in such event, references in this Bond to the Standby Agreement or the Bank shall refer to such Substitute Liquidity Facility or to the provider of such Substitute Liquidity Facility. Under the Standby Agreement, the Bank has agreed, subject to the terms and conditions contained therein, to make funds available in an amount sufficient to pay (i) the portion of the purchase price corresponding to the principal of such Bonds and (ii) while such Bonds bear interest at a Weekly Rate, the portion of the purchase price of such Bonds corresponding to accrued interest thereon for a period not to exceed thirty-five (35) days at the maximum rate of 12% per annum and, upon any conversion of such Bonds from one Interest Rate Period to any other Interest Rate Period, the applicable Liquidity Facility shall provide for an amount as shall be determined to be necessary to pay such interest portion of the purchase price in order for the City to obtain a Rating Confirmation Notice (as defined in the Resolution). Upon the occurrence of an Authorized Liquidity Termination (as defined in the Resolution), the obligation of the Bank to furnish money for the purchase of Bonds will terminate immediately, without notice to the registered owners.

The term of the Bonds will be divided into consecutive Interest Rate Periods during each of which the Bonds shall bear interest at Weekly Interest Rates (a “Weekly Interest Rate Period”), a Long-Term Interest Rate (a “Long-Term Interest Rate Period”), or Bond Interest Term Rates for one or more consecutive Bond Interest Terms (a “Short-Term Interest Rate Period”); provided, however, that no Bond (except for a Bank Bond) may bear interest at a rate in excess of 12% per annum. The initial Interest Rate Period shall be a Weekly Interest Rate Period. The interest rate on the Bonds may be adjusted from time to time to Bond Interest Term Rates or a Long-Term Interest Rate and thereafter again adjusted as described in the Resolution. As hereinafter described, the Bonds are subject to mandatory purchase on the first day of any Interest Rate Period.

During any Weekly Interest Rate Period, interest on the Bonds shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date (as hereinafter defined) and ending on the day immediately preceding such Interest Payment Date. During any Short-Term Interest Rate Period or Long-Term Interest Rate Period, interest on this Bond shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date and ending on the day immediately preceding such Interest Payment Date. In any event, interest on this Bond shall be payable for the final Interest Rate Period to the date on which this Bond shall have been paid in full. Except as may otherwise be provided in a Liquidity Facility with respect to Bank Bonds, interest shall be computed, in the case of a Long-Term Interest Rate Period, on the basis of a 360-day year consisting of twelve 30-day months, and in the case of any other Interest Rate Period, on the basis of a 365 or 366-day year, as the case may be, for the actual number of days elapsed. The Bonds may be issued in fully registered form in the denominations of (i) with respect to any Long-Term Interest Rate Period, \$5,000 and any integral multiple thereof and (ii) \$100,000 and any integral multiple of \$5,000 in excess of \$100,000 during any Weekly Interest Rate Period or Short-Term Interest Rate Period (the “Authorized Denominations”).

The term “Interest Accrual Date” means (i) with respect to any Weekly Interest Rate Period, the first day thereof and, thereafter, the first Business Day of each month during that Weekly Interest Rate Period, (ii) with respect to any Long-Term Interest Rate Period, the first day thereof and, thereafter, each Interest Payment Date in respect thereof, other than the last such Interest Payment Date, (iii) with respect to each Bond Interest Term within a Short-Term Interest Rate Period, the first day thereof, and (iv) as to Bank Bonds, the date such Bank Bonds were purchased with moneys provided under the Liquidity Facility. The term “Interest Payment Date” means (i) with respect to any Weekly Interest Rate Period, the first Business Day of each calendar month, (ii) with respect to any Long-Term Interest Rate Period, each February 1 and August 1, (iii) with respect to any Bond Interest Term, the day next succeeding the last day thereof, and (iv) with respect to each Interest Rate Period, the day next succeeding the last day thereof. The term “Business Day” means any day other than (i) a Saturday, a Sunday or any other day on which banks located in the cities in which the principal corporate trust office of the Paying Agent and the Principal Office (as defined in the Resolution) of the Tender Agent are located, or in which the office of the Bank from which payments are made pursuant to the Liquidity Facility is located, are authorized required to remain closed, or (ii) a day on which the New York Stock Exchange is closed.

The interest rate on the Bonds shall be determined as follows:

(1) Weekly Interest Rate. During each Weekly Interest Rate Period, this Bond shall bear interest at a Weekly Interest Rate, which shall be determined by the Remarketing Agent on Wednesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then the next succeeding Business Day. The first Weekly Interest Rate determined for each Weekly Interest Rate Period shall be determined on or prior to the first day of such Weekly Interest Rate Period and shall apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on the next succeeding Wednesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on Thursday and ending on the next succeeding Wednesday, unless such Weekly Interest Rate Period shall end on a day other than a Wednesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on Thursday preceding the last day of such Weekly Interest Rate Period and ending on the last day of such Weekly Interest Rate Period. The Weekly Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such Business Day at a price (without regard to accrued interest) equal to the principal amount thereof. In the event that the Remarketing Agent fails to establish a Weekly Interest Rate for any week, then the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by the Remarketing Agent. In the event that the Weekly Interest Rate for the immediately preceding week was not determined by the Remarketing Agent, or in the event that the Weekly Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to 70% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on the day the Weekly Interest Rate would otherwise be determined as provided in the Resolution for such Weekly Interest Rate Period.

(2) Long-Term Interest Rate. During each Long-Term Interest Rate Period, this Bond shall bear interest at a Long-Term Interest Rate. The Long-Term Interest Rate for the Bonds shall be determined by the Remarketing Agent on a Business Day no later than the effective date of such Long-Term Interest Rate Period with respect to the Bonds. The Long-Term Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such date of determination at a price (without regard to accrued interest) equal to the principal amount thereof; provided, however, that the Bonds may be sold at a price other than a price equal to the principal amount thereof if the City, the Paying Agent and the Remarketing Agent receive a Favorable Opinion of Bond Counsel.

(3) Bond Interest Terms and Bond Interest Term Rates. During each Short-Term Interest Rate Period, this Bond shall bear interest during each Bond Interest Term for this Bond at the Bond Interest Term Rate for this Bond. The Bond Interest Term and Bond Interest Term Rate for this Bond shall be determined by the Remarketing Agent no later than the first day of each Bond Interest Term. The Bond Interest Term and the Bond Interest Term Rate need not be the same for any two Bonds, even if determined on the same date. The Bond Interest Term for each Bond shall be a period of not more than 180 days determined by the Remarketing Agent to be the period which, together with all other Bond Interest Terms for all Bonds then outstanding, will result in the lowest overall interest expense on the Bonds over the next succeeding 180 days, taking into account certain factors set forth in the Resolution. Any Bond purchased on behalf of the City and remaining unsold by the Remarketing Agent as of the close of business on the first day of the Bond Interest Term for that Bond shall have a Bond Interest Term of one day or, if that Bond Interest Term does not end on a day immediately preceding a Business Day, a Bond Interest Term ending on the day immediately preceding the next Business Day. If for any reason a Bond Interest Term for any Bond cannot be so determined by the Remarketing Agent, or if the determination of such Bond Interest Term is held by a court of law to be invalid or unenforceable, then such Bond Interest Term shall be 30 days, or if the last day so determined shall not be a day immediately preceding a Business Day, shall end on the first day immediately preceding the Business Day next succeeding such last day, or if such last day would be after the day immediately preceding the Maturity

Date, shall end on the day immediately preceding the Maturity Date. The Bond Interest Term Rate for each Bond Interest Term for this Bond shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by this Bond, would enable the Remarketing Agent to sell this Bond on the date and at the time of such determination at a price (without regard to accrued interest) equal to the principal amount thereof. If for any reason a Bond Interest Term Rate for any Bond is not so established by the Remarketing Agent for any Bond Interest Term, or such Bond Interest Term Rate is determined by a court of law to be invalid or unenforceable, then the Bond Interest Term Rate for such Bond Interest Term shall be the rate per annum equal to 70% of the interest rate on high grade unsecured commercial paper notes sold through dealers by major corporations as reported by The Wall Street Journal on the first day of such Bond Interest Term and which maturity most nearly equals the Bond Interest Term for which a Bond Interest Term Rate is being calculated.

Banc of America Securities LLC has been appointed as the initial Remarketing Agent for the Bonds. First-Citizens Bank & Trust Company has been appointed as the initial Tender Agent for the Bonds, whose Principal Office for the delivery of Bonds at the date of issuance of the Bonds is located at 100 East Tryon Road, DAC-61, Raleigh, NC 27603, Attention: Corporate Trust Department.

The Paying Agent shall give notice by first class mail of an adjustment in the Interest Rate Period not less than twelve (12) days (fifteen (15) days if the then current Interest Rate Period is a Long-Term Interest Rate Period) prior to the effective date of such Interest Rate Period, or, in the case of an adjustment to a Long-Term Interest Rate Period, not less than thirty (30) days prior to the effective date of such Long-Term Interest Rate Period. In the event of an adjustment in the Interest Rate Period applicable to the Bonds, the Bonds shall be subject to mandatory tender for purchase as hereinafter described.

In connection with any adjustment of the Interest Rate Period on the Bonds, the City is obligated to satisfy certain conditions precedent as described in the Resolution. In the event that any conditions to adjustment of any Interest Rate Period as provided in the Resolution are not met, then the Bonds shall continue to bear interest at a Weekly Interest Rate or Bond Interest Term Rates, as the case may be, as in effect immediately prior to such proposed adjustment in the Interest Rate Period, or, in the event that the Bonds are being adjusted from a Long-Term Interest Rate Period, then the Bonds shall be adjusted to bear interest at a Weekly Interest Rate on the date which would have been the effective date of such change in the Interest Rate.

Purchase of Adjustable Rate Bonds During Weekly Interest Rate Period. During any Weekly Interest Rate Period, this Bond shall be purchased at the option of the registered owner on any Business Day at a purchase price equal to the principal amount hereof plus accrued interest, if any, from the Interest Accrual Date immediately preceding the date of purchase through the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which case at a purchase price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the Tender Agent, at its Principal Office for delivery of notices, of an irrevocable written notice which states the principal amount of this Bond and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh (7th) day next succeeding the date of the delivery of such notice to the Tender Agent. In the event a registered owner shall deliver a notice to the Tender Agent of such registered owner's election to have this Bond purchased as herein described, and such registered owner shall not deliver this Bond to the Tender Agent on the date of such purchase, then this Bond shall nevertheless be deemed to have been purchased on such date and shall no longer be deemed to be outstanding under the Resolution and interest shall no longer accrue with respect thereto, and the registered owner of this Bond shall have no right other than to receive payment of the purchase price therefor. Moneys held by the Tender Agent for such registered owner shall not be invested.

Mandatory Tender for Purchase On Day Next Succeeding the Last Day of Each Bond Interest Term. On the day next succeeding the last day of each Bond Interest Term for this Bond, this Bond shall be purchased from its registered owner at a purchase price equal to the principal amount hereof, payable in immediately available funds. In the event that any registered owner shall not surrender this Bond to the Tender Agent on the date of such purchase, then this Bond shall nevertheless be deemed to have been purchased and no interest shall accrue on this Bond on and after such date and the Owner hereof shall have no rights under the Resolution other than to receive payment of the purchase price for this Bond. Moneys held by the Tender Agent for the payment of the purchase price shall not be invested.



Mandatory Tender for Purchase on First Day of Each Interest Rate Period. This Bond shall be subject to mandatory tender for purchase on the first day of each Interest Rate Period, or, in the event that one of the conditions precedent to the adjustment to a new Interest Rate Period shall not be met as described in the Resolution, on the day which would have been the first day of an Interest Rate Period, at a purchase price, payable in immediately available funds, equal to the principal amount hereof, or in the case of a purchase on the first day of an Interest Rate Period which shall be preceded by a Long-Term Interest Rate Period and which shall commence prior to the day originally established as the last day of such preceding Long-Term Interest Rate Period, at a purchase price equal to the optional redemption price then applicable to this Bond on such purchase date. Moneys held by the Tender Agent for the payment of the purchase price shall not be invested.

Mandatory Tender for Purchase Upon Cancellation, Termination, Expiration or Substitution of Liquidity Facility. Prior to the date on which the interest rate on the Bonds is established at a Long-Term Interest Rate until their stated maturity (or during the Long-Term Interest Rate Period if a Liquidity Facility is in effect), the Bonds shall be subject to mandatory tender for purchase at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase (i) on a Business Day which is at least five (5) days prior to the date on which the Liquidity Facility is to be cancelled by the City in connection with its replacement by a Substitute Liquidity Facility pursuant to the Resolution or (ii) except in the case of an Authorized Liquidity Termination, on a Business Day which is at least (5) five days prior to (A) a termination pursuant to an "event of default" (as defined in the Liquidity Facility) or (B) expiration of the Liquidity Facility. Notwithstanding anything in this paragraph to the contrary, in the event that, in connection with any such termination, cancellation or expiration of an existing Liquidity Facility and substitution therefor by a Substitute Liquidity Facility, the City delivers to the Tender Agent, the Paying Agent and the Remarketing Agent prior to the date that notice of such cancellation, termination or expiration and substitution is required to be given by the Tender Agent as provided in the Resolution, a Rating Confirmation Notice (as defined in the Resolution), the Bonds will not be subject to mandatory tender for purchase as provided in this paragraph solely as a result of such cancellation, termination or expiration and substitution. In the event no mandatory tender is required pursuant to the provisions of the preceding sentence, the Paying Agent shall, not later than ten (10) days prior to the date a Substitute Liquidity Facility is to take effect, give notice, by first class mail, postage prepaid, to all registered owners that (i) a Substitute Liquidity Facility will be substituted for the Liquidity Facility then in effect, (ii) the date on which such Substitute Liquidity Facility will take effect, (iii) the identity of the provider of such Substitute Liquidity Facility, (iv) such substitution will not in and of itself result in the withdrawal or reduction of the short-term rating(s) then applicable to the Bonds and (v) the Bonds will not be subject to mandatory tender for purchase solely as a result of such termination or expiration and substitution.

Payment of Purchase Price by City. While the Bonds bear interest at the Weekly Interest Rate or Bond Interest Term Rates, or while the Bonds bear interest at a Long-Term Interest Rate and the City has elected to provide for a Liquidity Facility to be in effect during such Long-Term Interest Rate Period, the City may, but shall not be required to (unless the City is the obligor under the Liquidity Facility, if any, then effect), pay the purchase price of any Bonds optionally tendered for purchase pursuant to the provisions of the Resolution or subject to mandatory purchase pursuant to the provisions of the Resolution when due if moneys for such purchase are not otherwise available from the sources specified in the Resolution. In such case, if the funds available for the purchase of Bonds are insufficient for the purchase of all Bonds tendered or deemed tendered on any purchase date (a "Failed Liquidity Purchase Date"), the Tender Agent shall return all Bonds to the Owners thereof, the Tender Agent shall return all moneys received for the purchase of such Bonds to the persons who provided such moneys, the Tender Agent shall immediately notify the Paying Agent of such occurrence, and the Paying Agent shall give the Owners notice thereof by first class mail, postage prepaid, within three (3) Business Days following such occurrence. Upon such occurrence, the City agrees to pursue such curative action with reasonable diligence as shall be necessary to effect the purchase or cause the purchase of all of the Bonds. All Bonds (other than Bank Bonds) shall bear interest from the Failed Liquidity Purchase Date to the date that is 75 days thereafter or the date that the City purchases or causes the purchase of all Bonds, if earlier, at a rate equal to a floating rate per annum equal to 70% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations, as reported in The Wall Street Journal on the Tuesday preceding the Failed Liquidity Purchase Date, and on each Tuesday thereafter, or the next succeeding Business Day if any such Tuesday is not a Business Day, plus 300 basis points (3%). If a Liquidity Facility provided by a person other than the City was in effect on the Failed Liquidity Purchase Date and the City has not purchased or caused to be purchased the Bonds by the date that is 75 days after the Failed Liquidity Purchase Date, then, commencing on the next day and continuing until such Bonds are purchased, the interest rate on the Bonds (other than Bank Bonds) shall be 12% per annum. In the event that the City purchases or causes the purchase of the Bonds, the Bonds shall thereafter bear interest at a Weekly Interest Rate, Bond Interest Term Rates or a Long-Term Interest Rate, as determined by the City. If the City was the obligor under the Liquidity Facility on the Failed Liquidity Purchase Date and fails to purchase or cause the purchase of any Bonds tendered for purchase or subject to mandatory tender for purchase pursuant to the provisions of the Resolution within thirty (30) days after the Failed Liquidity Purchase

Date, the Bonds shall be subject to mandatory redemption in whole as provided in the Resolution. If the City was not the obligor under the Liquidity Facility on the Failed Liquidity Purchase Date, failure by the City to pay the purchase price of any Bonds optionally tendered for purchase pursuant to the provisions of the Resolution or subject to mandatory tender for purchase pursuant to the provisions of the Resolution when due, if moneys for such purchase are not otherwise available from the sources specified in the Resolution, shall not cause a mandatory redemption of the Bonds.

Insufficient Funds to Pay Purchase Price During Long-Term Interest Rate Period. If the Bonds bear interest at a Long-Term Interest Rate and the City has elected not to provide for a Liquidity Facility to be in effect (and a Liquidity Facility is not otherwise required to be in effect pursuant to the Resolution) during such Long-Term Interest Rate Period, and if the moneys available for the purchase of Bonds are insufficient for the purchase of all Bonds which are tendered or deemed tendered for purchase on any mandatory tender date during a Long-Term Interest Rate Period (a "Failed Non-Liquidity Purchase Date"), the Tender Agent shall return all Bonds to the Owners thereof, the Tender Agent shall return all moneys received for the purchase of such Bonds to the persons who provided such moneys, the Tender Agent shall immediately notify the Paying Agent of such occurrence, the Paying Agent shall give the Owners notice by first class mail, postage prepaid, within three (3) Business Days following such occurrence, and all Bonds shall bear interest from such Failed Non-Liquidity Purchase Date at a rate equal to 12% per annum. Upon such occurrence, the City agrees to pursue such curative action with reasonable diligence as shall be necessary to effect the purchase or cause the purchase of all of the Bonds. In the event that the City purchases or causes the purchase of the Bonds, the Bonds shall thereafter bear interest at a Weekly Interest Rate, Bond Interest Term Rates or a Long-Term Interest Rate, as determined by the City. If the City fails to purchase or cause the purchase of the Bonds within thirty (30) days after the Failed Non-Liquidity Purchase Date, the Bonds shall be subject to mandatory redemption in whole as provided in the Resolution.

For payment of the purchase price of any Bond required to be purchased as described above on the date specified, such Bond must be delivered, at or prior to 10:00 a.m., New York City time, on the date specified in such notice, to the Tender Agent at its Principal Office for delivery of Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the registered owner thereof or his duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange. In the event any such Bond is delivered after 10:00 a.m. on such date, payment of the purchase price of such Bond need not be made until the Business Day following the date of delivery of such Bond, but such Bond shall nonetheless be deemed to have been purchased on the date specified in such notice and no interest shall accrue thereon after such date.

The Tender Agent may refuse to accept delivery of any Bond for which a proper instrument of transfer has not been provided. In the event that any Owner of a Bond who shall have given notice of such Owner's election to have his Bond purchased during a Weekly Interest Rate Period hereof, or who shall have been mailed the notice of a mandatory tender for purchase of his Bond in connection with the end of a Bond Interest Term, a change in the Liquidity Facility or the commencement of a new Interest Rate Period, shall fail to deliver such Bond to the Tender Agent at the place and on the applicable date and time specified, or shall fail to deliver such Bond properly endorsed, such Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of any Undelivered Bond are available for payment to the registered owner thereof on the date and at the time specified, then from and after the date and time of that required delivery, (A) such Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be outstanding under the Resolution; (B) interest shall no longer accrue thereon; and (C) funds in the amount of the purchase price of the Undelivered Bond shall be held by the Tender Agent for the benefit of the registered owner thereof (provided that the registered owner shall have no right to any investment proceeds derived from such funds), to be paid upon delivery (or proper endorsement) of the Undelivered Bond to the Tender Agent at its Principal Office for delivery of Bonds. Any funds held by the Tender Agent for the purchase of Undelivered Bonds shall be held uninvested.

Under certain circumstances described in the Standby Agreement, the City is required to purchase from the Bank all Bank Bonds then held by or for the account of the Bank. In the event such purchase shall not have been made by the City on the date required, such Bank Bonds shall be subject to mandatory redemption on such date.

On any Interest Payment Date during a Weekly Interest Rate Period, the Bonds shall be subject to optional redemption by the City, in whole or in part, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed.

On the day succeeding the last day of any Bond Interest Term with respect to any Bond, such Bond shall be subject to optional redemption by the City, in whole or in part, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed.

During any Long-Term Interest Rate Period, the Bonds shall be subject to optional redemption by the City on the first day thereof, in whole or in part, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, and thereafter, during the periods specified below or, if approved by Bond Counsel (as defined in the Resolution) as provided in Section 205(e)(ii) of the Resolution, during the periods specified in the notice of the City to the Paying Agent pursuant to Section 205(e)(ii)(A) of the Resolution, in whole or in part at any time, at the redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed) hereinafter indicated or specified in the notice of the City to the Tender Agent pursuant to Section 205(e)(ii)(A) of the Resolution, plus accrued interest, if any, to the redemption date:

<u>Length of Long-Term Interest Rate Period (expressed in years)</u>	<u>Redemption Price</u>
greater than 10	after 7 years at 101%, declining by 1% after one year to 100%
less than or equal to 10 and greater than 7	after 5 years at 100%
less than or equal to 7 and greater than 4	after 3 years at 100%
less than or equal to 4	after 2 years at 100%

The Bonds are required to be redeemed by the City on February 1 of the following years and in the following amounts at a redemption price equal to 100% of the principal amount of Bonds to be redeemed:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2024	\$3,335,000	2026*	\$3,330,000
2025	3,335,000		

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\* Maturity.

In the event the City shall be required by the Resolution to purchase Bonds within 30 days following a Failed Liquidity Purchase Date or a Failed Non-Liquidity Purchase Date and shall have failed to do so, the Bonds shall be subject to mandatory redemption in whole on the next succeeding Business Day at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

In the event any of the Bonds or portions thereof (other than Bonds redeemed pursuant to the immediately preceding paragraph as to which no notice shall be required) are called for redemption as aforesaid, notice of the call for redemption, identifying the Bonds or portions thereof to be redeemed, shall be given by the City by mailing a copy of the redemption notice by first class, registered or certified mail at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration books. Bank Bonds shall be selected for redemption before any other Bonds are selected for redemption.

Any notice of redemption (other than a notice with respect to a mandatory redemption) may state that the redemption to be effected is conditioned on receipt by the Paying Agent on or before the redemption date of moneys sufficient to pay the redemption price of and interest on the Bonds to be redeemed. If such notice contains such a condition and moneys sufficient to pay the redemption price of and interest on such Bonds are not received by the Paying Agent on or before the redemption date, the redemption shall not be made and the Paying Agent will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received and the redemption will not take place.

The Bonds are issuable in fully-registered form and in Authorized Denominations. Bonds may be exchanged at the principal corporate trust office of the Paying Agent, in the manner and subject to the limitations and conditions provided in the Resolution, for an equal aggregate principal amount of Bonds of any Authorized Denominations.

The transfer of this Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal corporate trust office of the Paying Agent, but only in the manner and subject to the limitations and conditions provided in the Resolution and upon surrender and cancellation of this Bond. Upon any such registration of transfer, the City shall cause to be executed and the Paying Agent shall authenticate and deliver in exchange for this Bond a new Bond or Bonds registered in the name of the transferee, of any Authorized Denominations, in an aggregate principal amount equal to the principal amount of this Bond.

The Resolution may be amended or supplemented only to the extent and in the circumstances permitted by the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within the City sufficient to pay the principal of and the interest on this Bond as the same shall become due; and that the total indebtedness of the City, including this Bond, does not exceed any constitutional or statutory limitation thereon.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this Bond shall have been authenticated by the execution by the Paying Agent of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the City has caused this Bond to be manually signed by its [Mayor] [City Manager] and City Clerk and its corporate seal to be impressed hereon, all as of the Original Issuance Date set forth above.

[SEAL]

\_\_\_\_\_  
[Mayor] [City Manager]

\_\_\_\_\_  
City Clerk

#### CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within Bond has been approved under the provisions of The Local Government Bond Act of North Carolina.

\_\_\_\_\_  
Acting Secretary, Local Government Commission

#### CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

FIRST-CITIZENS BANK & TRUST COMPANY,  
as Paying Agent

By: \_\_\_\_\_  
Authorized Signatory

Date of authentication: \_\_\_\_\_

#### ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
[please print or typewrite name and address of assignee]  
the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints  
\_\_\_\_\_  
attorney to transfer the within Bond on the books kept for registration thereof,  
with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alternation or enlargement or any change whatever.

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program

*Details of Bonds. The Bonds shall be dated the date of the original issuance thereof and, subject to the provisions of Section 206(h) hereof, shall bear interest at a rate or rates determined pursuant to Section 205 hereof and not exceeding 12% per annum or, in the case of Bonds that are Bank Bonds, at the greater of (i) the rate or rates determined pursuant to Section 205 hereof and (ii) the rate per annum determined pursuant to the Liquidity Facility (initially the Bank Bond Interest Rate), which interest shall be payable on each Interest Payment Date until payment of their principal sum.*

Each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated upon an Interest Payment Date in which event it shall bear interest from such Interest Payment Date or (b) authenticated prior to the first Interest Payment Date in which event it shall bear interest from its date; provided, however, that if at the time of authentication of any Bond interest is in default, such Bond shall bear interest from the date to which interest has been paid or, if no interest has been paid, from its date. Interest on the Bonds shall, subject to the provisions of Section 206(h) hereof, be computed as described in Section 205(b) hereof.

The principal of and the interest and any redemption premium on the Bonds shall be payable in lawful money of the United States of America on the respective dates of payment thereof.

The principal of and redemption premium, if any, on each such Bond shall be payable to the person appearing on the registration books of the City hereinafter provided for as the Owner of such Bond or his registered assigns or legal representative at the principal corporate trust office of the Paying Agent or such other place as the City may determine, upon the presentation and surrender thereof, as the same shall become due and payable. Such payment of principal and redemption premium, if any, shall be by check; provided, however, that principal of and redemption premium, if any, on Bonds shall be paid by wire transfer (in the continental United States) of immediately available funds to any Owner of at least \$1,000,000 in aggregate principal amount of the Bonds outstanding, at its option, in each case according to wire instructions given to the Paying Agent in writing for such purpose in accordance with the procedures prescribed by the Paying Agent. Payment of interest on the Bonds shall be made in the manner specified in Section 205(h) hereof.

Subject to the foregoing provisions of this Section, each Bond delivered under this Resolution upon registration of transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such registration, transfer, exchange or substitution.

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates to be made except as hereinafter provided. One bond certificate for each maturity of the Bonds, in the aggregate principal amount of such maturity and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") or such other name as shall be requested by an authorized representative of DTC, will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in Authorized Denominations, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal or purchase price of and any redemption premium on each Bond and interest with respect thereto shall be payable to Cede & Co. or any other person appearing on the registration books of the City as the registered owner of such Bond or its registered assigns or legal representatives. Transfer of principal, interest, purchase price and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest, purchase price and any redemption premium payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The City, the Remarketing Agent, the Tender Agent and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as Securities Depository for the Bonds or (b) the City determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the City will discontinue the book-entry system with DTC. If the City identifies another qualified Securities Depository to replace DTC, the City will make arrangements with DTC and such other Securities Depository to effect such replacement and deliver replacement bonds registered in the name of such other Securities Depository or its Securities Depository Nominee in exchange for the outstanding Bonds, and the references to DTC or Cede & Co. in this Resolution shall thereupon be deemed to mean such other Securities Depository or its Securities Depository Nominee. If the City fails to identify another qualified Securities Depository to replace DTC, the City will deliver replacement bonds in fully registered form in Authorized Denominations in exchange for the outstanding Bonds as required by DTC.

The City may enter into amendments to any agreement between the City and DTC or any successor Securities Depository relating to the book-entry system to be maintained with respect to the Bonds without the consent of the Owners or beneficial owners of the Bonds.

*Execution of Bonds. The Bonds shall bear the manual or facsimile signatures of the Mayor or the City Manager and the City Clerk or their designees and the corporate seal or a facsimile of the corporate seal of the City shall be impressed or printed, as the case may be, on the Bonds.*

The certificate of the Commission to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of the Commission or her designated assistant and the certificate of authentication of the Paying Agent to be endorsed on all Bonds shall be executed as provided hereinafter.

In case any officer of the City or the Commission whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bonds may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bonds shall be the proper officers to sign such Bonds although at the date of such Bonds such persons may not have been such officers.

*Terms of Bonds. (4) For any Weekly Interest Rate Period, interest on the Bonds shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date and ending on the day immediately preceding the Interest Payment Date. For any Short-Term Interest Rate Period or Long-Term Interest Rate Period, interest on the Bonds shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date and ending on the day immediately preceding such Interest Payment Date. In any event, interest on the Bonds shall be payable for the final Interest Rate Period to the date on which the Bonds shall have been paid in full.*

Except as may otherwise be provided in a Liquidity Facility with respect to Bank Bonds, interest on the Bonds shall be computed, in the case of a Long-Term Interest Rate Period, on the basis of a 360-day year consisting of twelve 30-day months, and in the case of any other Interest Rate Period, on the basis of a 365 or 366-day year, as appropriate, for the actual number of days elapsed.

In the manner hereinafter provided, the term of the Bonds shall be divided into consecutive Interest Rate Periods during each of which the Bonds shall bear interest at a Weekly Interest Rate, Bond Interest Term Rates or a Long-Term Interest Rate; provided, however, that at any time, all Bonds shall bear interest at a Weekly Interest Rate, a Long-Term Interest Rate or Bond Interest Term Rates and no Bond (except a Bank Bond) shall bear interest at a rate in excess of twelve percent (12%) per annum. Notwithstanding the foregoing, Bank Bonds shall bear interest at the greater of (i) the rate per annum determined pursuant to this Section 205 and (ii) the rate per annum determined pursuant to the Standby Agreement or any Substitute Liquidity Facility; provided, however, that in no event shall the interest rate on any Bank Bond exceed twenty-five percent (25%) per annum. The first Interest Rate Period shall commence on the date of original issuance of the Bonds and shall be a Weekly Interest Rate Period. On or prior to such date of original issuance, the initial Weekly Interest Rate borne by the Bonds shall be determined by the Remarketing Agent in the manner provided in this Section 205.

(i) Determination of Weekly Interest Rate. During each Weekly Interest Rate Period, the Bonds shall bear interest at a Weekly Interest Rate, which shall be determined by the Remarketing Agent on Wednesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then on the next succeeding Business Day. The Weekly Interest Rate determined for the initial Weekly Interest Rate Period shall be determined on or prior to the first day of such Weekly Interest Rate Period and shall apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on the next succeeding Wednesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on Thursday and ending on the next succeeding Wednesday, unless such Weekly Interest Rate Period shall end on a day other than Wednesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on the Thursday preceding the last day of such Weekly Interest Rate Period and ending on the last day of such Weekly Interest Rate Period. The Weekly Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such date of determination at a price (without regard to accrued interest) equal to the principal amount thereof. In the event that the Remarketing Agent fails to establish a Weekly Interest Rate for any week during a Weekly Interest Rate Period, the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by the Remarketing Agent. In the event that a Weekly Interest Rate for the immediately preceding week was not determined by the Remarketing Agent, or in the event that the Weekly Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to 70% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on the day the Weekly Interest Rate would otherwise be determined as provided herein for such Weekly Interest Rate Period. The Remarketing Agent shall furnish to the City, the Paying Agent and the Tender Agent on the date of determination the Weekly Interest Rate so determined by telex, telephone or telecopy, promptly confirmed in writing, or shall make the Weekly Interest Rate available to such persons by readily accessible electronic means.

(ii) Adjustment to Weekly Interest Rate. At any time, the City, by written direction to the Paying Agent, the Tender Agent, the Local Government Commission, the Bank and the Remarketing Agent, may elect, subject to Sections 205(j) and 205(k) hereof, that the Bonds shall bear interest at a Weekly Interest Rate. Such direction of the City shall specify (1) the effective date of such adjustment to a Weekly Interest Rate, which shall be (A) a Business Day not earlier than the 12th day (15th day if the then current Interest Rate Period shall be a Long-Term Interest Rate Period) following the second Business Day after receipt by the Paying Agent of such direction, (B) in the case of an adjustment from a Long-Term Interest Rate Period, the day immediately following the last day of the then current Long-Term Interest Rate Period or a day on which the Bonds would otherwise be subject to optional redemption pursuant to Section 301(b)(iii) hereof if such adjustment did not occur, and (C) in the case of an adjustment from a Short-Term Interest Rate Period, the day immediately following the last day of the Short-Term Interest Rate Period; and (2) the date of delivery for such Bonds to be purchased. In addition, the direction of the City shall be accompanied by a Favorable Opinion of Bond Counsel. During each Weekly Interest Rate Period commencing on a date so specified and ending on the day immediately preceding the effective date of the next succeeding Interest Rate Period, the interest rate borne by the Bonds shall be a Weekly Interest Rate.

(iii) Notice of Adjustment to Weekly Interest Rate. The Paying Agent shall give notice by first-class mail of an adjustment to a Weekly Interest Rate Period to the Owners of the Bonds not less than twelve (12) days (fifteen (15) days if the then current Interest Rate Period shall be a Long-Term Interest Rate Period) prior to the effective date of such Weekly Interest Rate Period. Such notice shall state (1) that the interest rate on the Bonds will be adjusted to a Weekly Interest Rate unless, on the effective date of such adjustment in the Interest Rate Period, Bond Counsel shall have failed to deliver to the City, the Paying Agent, the Bank and the Remarketing Agent a Favorable Opinion of Bond Counsel

as to such adjustment and the City shall have failed to deliver to the Paying Agent, the Bank and the Remarketing Agent a Rating Confirmation Notice, in which case the Bonds, if being adjusted from a Short-Term Interest Period, shall continue to bear interest at Bond Interest Term Rates as in effect immediately prior to such proposed adjustment in the Interest Rate Period, or if the Bonds are being adjusted from a Long-Term Interest Rate Period, the Bonds shall be adjusted to bear interest at a Weekly Interest Rate, (2) the effective date of such Weekly Interest Rate Period, and (3) that the Bonds are subject to mandatory tender for purchase on such effective date and shall set forth the applicable purchase price.

(5) Determination of Long-Term Interest Rate. During each Long-Term Interest Rate Period, the Bonds shall bear interest at a Long-Term Interest Rate. The Long-Term Interest Rate for the Bonds for any Long-Term Interest Rate Period shall be determined by the Remarketing Agent on a Business Day no earlier than two (2) weeks before the effective date of such Long-Term Interest Rate Period and no later than the effective date of such Long-Term Interest Rate Period. The Long-Term Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell the Bonds on such date of determination at a price (without regard to accrued interest) equal to the principal amount thereof; provided, however, that the Bonds may be sold at a price other than a price equal to the principal amount thereof if the City, the Paying Agent and the Remarketing Agent receive a Favorable Opinion of Bond Counsel. If, for any reason, a Long-Term Interest Rate is not so determined for any Long-Term Interest Period by the Remarketing Agent on or prior to the first day of such Long-Term Interest Rate Period, then the Bonds shall bear interest at a Weekly Interest Rate as provided in Section 205(d) hereof, and shall continue to bear interest at a Weekly Interest Rate determined in accordance with said Section 205(d) until such time as the interest rate on the Bonds shall have been adjusted to Bond Interest Term Rates or a Long-Term Interest Rate as provided herein, and the Bonds shall be subject to purchase upon notice from the Owners thereof as described in Section 206(a) hereof.

Adjustment to or Continuation of Long-Term Interest Rate.

*At any time, the City, by written direction to the Paying Agent, the Tender Agent, the Local Government Commission, the Bank and the Remarketing Agent, may elect, subject to Sections 205(j) and 205(k) hereof, that the Bonds shall bear, or continue to bear, interest at a Long-Term Interest Rate. The direction of the City required by the first sentence of this paragraph (A), (1) shall specify the duration of the Long-Term Interest Rate Period during which the Bonds shall bear interest at a Long-Term Interest Rate; (2) shall specify the effective date of such Long-Term Interest Rate Period, which date shall be (aa) a Business Day not earlier than the 30th day following the second Business Day after receipt by the Paying Agent of such direction, (bb) in the case of an adjustment from a Long-Term Interest Rate Period to another Long-Term Interest Rate Period, the day immediately following the last day of the then current Long-Term Interest Rate Period or a day on which the Bonds would otherwise be subject to optional redemption pursuant to Section 301(b)(iii) hereof if such adjustment did not occur, and (cc) in the case of an adjustment from a Short-Term Interest Rate Period, the day immediately following the last day of the Short-Term Interest Rate Period; (3) shall specify the last day of such Long-Term Interest Rate Period (which last day shall be either the day immediately prior to the maturity date of the Bonds, or a day which both immediately precedes a Business Day and is at least 181 days after the effective date thereof); (4) shall specify a date on or prior to which Owners are required to deliver such Bonds to be purchased (if other than such effective date) and (5) with respect to any such Long-Term Interest Rate Period, may specify redemption prices greater, and non-redemption periods longer, than those set forth in Section 301(b)(iii) hereof, if approved by Bond Counsel as provided in Section 205(e)(ii)(B) hereof.*

*Such direction of the City shall be accompanied by a Favorable Opinion of Bond Counsel.*

*If, by the second Business Day preceding the 29th day prior to the last day of any Long-Term Interest Rate Period, the Paying Agent shall not have received notice of the City's election that, during the next succeeding Interest Rate Period, the Bonds shall bear interest at a Weekly Interest Rate or a Long-Term Interest Rate, or at Bond Interest Term Rates, the next succeeding Interest Rate Period shall be a Weekly Interest Rate Period until such time as the interest rate on the Bonds shall be adjusted to a Long-Term Interest Rate or Bond Interest Term Rates as provided in this Section 205 and the Bonds shall be subject to mandatory purchase as provided in Section 206(c) hereof on the first day of such Weekly Interest Rate Period.*



*In the event that the City shall deliver to the Bank, the Remarketing Agent, the Tender Agent and the Paying Agent, on or prior to the date that the interest rate for any Long-Term Interest Rate Period is determined, a notice to the effect that the City elects to rescind its election to have the Bonds bear interest at a Long-Term Interest Rate, then the interest rate on the Bonds shall not be adjusted to a Long-Term Interest Rate, and the Bonds shall bear interest at a Weekly Interest Rate or Bond Interest Term Rates as in effect prior to such event, or if the Bonds were to be adjusted from a Long-Term Interest Rate, then the Bonds shall bear interest at a Weekly Interest Rate for the period commencing on the date which would have been the effective date of such Long-Term Interest Rate Period, and the Bonds shall continue to be subject to mandatory purchase as provided in Section 206(c) hereof on the day which would have been the effective date of such Long-Term Interest Rate Period. In the event that the City shall rescind its election to adjust the interest rate on the Bonds to a Long-Term Interest Rate as described in this paragraph, then the Paying Agent, promptly upon receiving notification thereof, shall mail notice to the Owners of the Bonds that the Bonds shall not be adjusted to a Long-Term Interest Rate but shall bear interest at a Weekly Interest Rate or Bond Interest Term Rates as in effect prior to such event, or if the Bonds are being adjusted from a Long-Term Interest Rate, then the Bonds shall bear interest at a Weekly Interest Rate on such date and shall be subject to mandatory tender as provided herein and in Section 206(c) hereof.*

Notice of Adjustment to or Continuation of Long-Term Interest Rate. The Paying Agent shall give notice by first-class mail of an adjustment to a (or the establishment of another) Long-Term Interest Rate Period to the Owners of the Bonds not less than thirty (30) days prior to the effective date of such Long-Term Interest Rate Period. Such notice shall state: (1) that the interest rate on the Bonds shall be adjusted to, or continue to be, a Long-Term Interest Rate unless (x) on the effective date of such adjustment to a (or the establishment of another) Long-Term Interest Rate Period, Bond Counsel shall have failed to deliver to the City, the Paying Agent, the Bank and the Remarketing Agent a Favorable Opinion of Bond Counsel as to such adjustment in the Interest Rate Period, or (y) the City shall have failed to deliver to the Paying Agent, the Bank and the Remarketing Agent a Rating Confirmation Notice on the effective date of such adjustment, or (z) the City shall elect, on or prior to the date of determination of such Long-Term Interest Rate, to rescind its election to cause the adjustment of the interest rate on the Bonds to a Long-Term Interest Rate, in which case the Bonds, if being adjusted from a Weekly Interest Rate Period or a Short-Term Interest Rate Period shall continue to bear interest at a Weekly Interest Rate or Bond Interest Term Rates as in effect immediately prior to such proposed adjustment in the Interest Rate Period, or if the Bonds are being adjusted from a Long-Term Interest Rate Period, the Bonds shall be adjusted to bear interest at a Weekly Interest Rate, (2) the effective date and the last day of such Long-Term Interest Rate Period and (3) that the Bonds are subject to mandatory tender for purchase on such effective date and the purchase price applicable thereto.

Adjustment from Long-Term Interest Rate Period. In addition to an adjustment from a Long-Term Interest Rate Period on the day immediately following the last day of the Long-Term Interest Rate Period, at any time during a Long Term Interest Rate Period (subject to the provisions set forth in this paragraph (iv)), the City may elect, subject to Sections 205(j) and 205(k) hereof, that the Bonds no longer shall bear interest at a Long-Term Interest Rate and shall instead bear interest at a Weekly Interest Rate, Bond Interest Term Rates or a new Long-Term Interest Rate, as specified in such election. In the notice of such election, the City shall also specify the effective date of the new Interest Rate Period, which date shall be (1) a Business Day no earlier than the 15th day after the second Business Day following the date of receipt by the Paying Agent of the notice of election from the City or, in the case of adjustment to a new Long-Term Interest Rate Period, the 30th day following the date of receipt by the Paying Agent of such notice, and (2) a day on which the Bonds shall be subject to optional redemption in accordance with Section 301(b)(iii) hereof. The Bonds shall be subject to mandatory tender for purchase on the effective date of the new Interest Rate Period thereof in accordance with Section 206(c) hereof, at a purchase price equal to the optional redemption price set forth in Section 301(b)(iii) hereof which would be applicable on that date.

(6) Determination of Bond Interest Terms and Bond Interest Term Rates.

*During each Short-Term Interest Rate Period, each Bond shall bear interest during each Bond Interest Term for such Bond at the Bond Interest Term Rate for such Bond. The Bond Interest Term and the Bond Interest Term Rate for each Bond need not be the same for any two (2) Bonds, even if determined on the same date. Each of such Bond Interest Terms and Bond Interest Term Rates for each Bond shall be determined by the Remarketing Agent no later than the first day of each Bond Interest Term. Except for any Bond purchased by the Bank or the City and remaining unsold by the Remarketing Agent at the close of business on the first day of the Bond Interest Term, each Bond Interest Term shall be for a period of days within the range or ranges announced as possible Bond Interest Terms no later than*

9:00 a.m., New York City time, on the first day of each Bond Interest Term by the Remarketing Agent. Each Bond Interest Term for each Bond shall be a period of not more than one hundred eighty (180) days, determined by the Remarketing Agent to be the period which, together with all other Bond Interest Terms for all Bonds then outstanding, will result in the lowest overall interest expense on the Bonds over the next succeeding one hundred eighty (180) days. Any Bond purchased on behalf of the City and remaining unsold by the Remarketing Agent as of the close of business on the first day of the Bond Interest Term for that Bond shall have a Bond Interest Term of one day or, if that Bond Interest Term would not end on a day immediately preceding a Business Day, a Bond Interest Term ending on the day immediately preceding the next Business Day. Each Bond Interest Term shall end on either a day which immediately precedes a Business Day or on the day immediately preceding the maturity date of the Bonds. If for any reason a Bond Interest Term for any Bond cannot be so determined by the Remarketing Agent, or if the determination of such Bond Interest Term is held by a court of law to be invalid or unenforceable, then such Bond Interest Term shall be thirty (30) days, but if the last day so determined shall not be a day immediately preceding a Business Day, shall end on the first day immediately preceding the Business Day next succeeding such last day, or if such last day would be after the day immediately preceding the maturity date of the Bonds, shall end on the day immediately preceding the maturity date. In determining the number of days in each Bond Interest Term, the Remarketing Agent shall take into account the following factors: (I) existing short-term tax-exempt market rates and indices of such short-term rates, (II) the existing market supply and demand for short-term tax-exempt securities, (III) existing yield curves for short-term and long-term tax-exempt securities for obligations of credit quality comparable to the Bonds, (IV) general economic conditions, (V) economic and financial conditions that may affect or be relevant to the Bonds, (VI) the Bond Interest Terms of other Bonds and (VII) such other facts, circumstances and conditions pertaining to financial markets as the Remarketing Agent, in its sole discretion, shall determine to be relevant.

The Bond Interest Term Rate for each Bond Interest Term for each Bond shall be the rate of interest per annum determined by the Remarketing Agent (based on the examination of tax-exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by such Bond, would enable the Remarketing Agent to sell such Bond on the date and at the time of such determination at a price (without regard to accrued interest) equal to the principal amount thereof. If for any reason a Bond Interest Term Rate for any Bond is not so established by the Remarketing Agent for any Bond Interest Term, or such Bond Interest Term Rate is determined by a court of law to be invalid or unenforceable, then the Bond Interest Term Rate for such Bond Interest Term shall be the rate per annum equal to 70% of the interest rate on high grade unsecured commercial paper notes sold through dealers by major corporations as reported by The Wall Street Journal on the first day of such Bond Interest Term and which maturity most nearly equals the Bond Interest Term for which a Bond Interest Term Rate is being calculated.

Adjustment to Bond Interest Term Rates. At any time, the City, by written direction to the Paying Agent, the Bank, the Local Government Commission, the Tender Agent and the Remarketing Agent, may elect, subject to Sections 205(j) and 205(k) hereof, that the Bonds shall bear interest at Bond Interest Term Rates. Such direction of the City shall specify (1) the effective date of the Short-Term Interest Rate Period (during which the Bonds shall bear interest at Bond Interest Term Rates), which shall be (A) a Business Day not earlier than the 12th day (15th day if the then current Interest Rate Period shall be a Long-Term Interest Rate Period) following the second Business Day after receipt by the Paying Agent of such direction, (B) in the case of an adjustment from a Long-Term Interest Rate Period, the day immediately following the last day of the then current Long-Term Interest Rate Period or a day on which the Bonds would otherwise be subject to optional redemption pursuant to Section 301(b)(iii) hereof if such adjustment did not occur; provided that, if prior to the City's making such election any Bonds shall have been called for redemption and such redemption shall not have theretofore been effected, the effective date of such Short-Term Interest Rate Period shall not precede such redemption date, and (C) in the case of an adjustment from a Weekly Interest Rate Period, the day immediately following the last day of such Interest Rate Period; and (2) the date of delivery of such Bonds to be purchased. In addition, the direction of the City shall be accompanied by a Favorable Opinion of Bond Counsel. During each Short-Term Interest Rate Period commencing on the date so specified and ending, with respect to each Bond, on the day immediately preceding the effective date of the next succeeding Interest Rate Period with respect to such Bond, each Bond shall bear interest at a Bond Interest Term Rate during each Bond Interest Term for such Bond.

Notice of Adjustment to Bond Interest Term Rates. The Paying Agent shall give notice by first-class mail of an adjustment to a Short-Term Interest Rate Period to the Owners of the Bonds not less than twelve (12) days (fifteen (15) days if the then current Interest Rate Period shall be a Long-Term Interest Rate Period) prior to the effective date of such Short-Term Interest Rate Period. Such notice shall state (1) that the Bonds shall bear interest at Bond Interest Term Rates unless, on the effective date of such adjustment in the Interest Rate Period, Bond Counsel fails to deliver to the City, the Paying Agent, the Bank and the Remarketing Agent a Favorable Opinion of Bond Counsel as to such adjustment or the City fails to deliver to the Paying Agent, the Bank and the Remarketing Agent a Rating Confirmation Notice, in which case the Bonds, if being adjusted from a Weekly Interest Rate Period, shall continue to bear interest at a Weekly Interest Rate as in effect immediately prior to such proposed adjustment in the Interest Rate Period, or if the Bonds are being adjusted from a Long-Term Interest Rate Period, the Bonds shall be adjusted to bear interest at a Weekly Interest Rate, and that during such Short-Term Interest Rate Period, each Bond will have one or more consecutive Bond Interest Terms during each of which such Bond will bear a Bond Interest Term Rate, (2) the effective date of such Short-Term Interest Rate Period, (3) that the Bonds are subject to mandatory tender for purchase on the effective date of such Short-Term Interest Rate Period and shall set forth the applicable purchase price and (4) that a Bond Interest Term and a Bond Interest Term Rate for each Bond will be determined not later than the first day of such Bond Interest Term.

Adjustment from Short-Term Interest Rate Period. At any time during a Short-Term Interest Rate Period, the City may elect, pursuant to Section 205(d)(ii) or 205(e)(ii) hereof, but subject to Section 205(j) hereof, that the Bonds no longer shall bear interest at Bond Interest Term Rates and shall instead bear interest at a Weekly Interest Rate or a Long-Term Interest Rate, as specified in such election.

The date on which all Bond Interest Terms determined shall end shall be the last day of the then current Short-Term Interest Rate Period and the day next succeeding such date shall be the effective date of the Weekly Interest Rate Period or Long-Term Interest Rate Period elected by the City.

The determination of the Weekly Interest Rate and Long-Term Interest Rate and each Bond Interest Term and Bond Interest Term Rate by the Remarketing Agent shall be conclusive and binding upon the Remarketing Agent, the Paying Agent, the Tender Agent, the City, the Bank and the Owners of the Bonds.

Except as otherwise provided for in the Liquidity Facility for the payment of interest on Bank Bonds, interest on the Bonds shall be payable on each Interest Payment Date by the Paying Agent during any Weekly Interest Rate Period or Long-Term Interest Rate Period, by check mailed on the date on which interest is due to the Owners of the Bonds at the close of business on the Record Date in respect of such Interest Payment Date at the addresses of Owners as they shall appear on the registration books maintained pursuant to this Resolution. In the case of (i) Bonds bearing interest at a Bond Interest Term Rate, or (ii) any Owner of Bonds bearing interest at other than a Bond Interest Term Rate in an aggregate principal amount in excess of \$1,000,000 as shown on the registration books kept by the Paying Agent who, prior to the Record Date next preceding any Interest Payment Date, shall have provided, or caused to be provided, the Paying Agent with wire transfer instructions, interest payable on such Bonds shall be paid in accordance with the wire transfer instructions provided by the Owner of such Bonds (or by the Remarketing Agent on behalf of such Owner); provided, however, that during any Short-Term Interest Rate Period, interest on any Bond shall be payable only upon presentation and surrender of such Bond to the Tender Agent at its Principal Office. Notwithstanding the foregoing, so long as a Securities Depository Nominee is the sole Owner of the Bonds, interest on the Bonds shall be payable pursuant to the procedures of the Securities Depository as in effect from time to time.

In the event that the City shall elect to adjust the interest rate on the Bonds to a Weekly Interest Rate, Bond Interest Term Rates or a Long-Term Interest Rate as provided in Sections 205(d)(ii), 205(e)(ii) or 205(f)(ii) hereof, then the written direction furnished by the City to the Paying Agent, the Local Government Commission, the Bank, the Tender Agent and the Remarketing Agent as required by such sections shall be made by registered or certified mail, or by telex or telecopy, confirmed by registered or certified mail. Any such direction of the City shall specify whether the Bonds are to bear interest at a Weekly Interest Rate, Bond Interest Term Rates or a Long-Term Interest Rate.

Notwithstanding anything in this Section 205 to the contrary, in connection with any adjustment of the Interest Rate Period on the Bonds, the City shall, on the effective date of such adjustment, cause to be provided to the Paying Agent, the Bank and the Remarketing Agent a Rating Confirmation Notice and a Favorable Opinion of Bond Counsel. In the event that Bond Counsel fails to deliver a Favorable Opinion of Bond Counsel or the City fails to deliver a Rating Confirmation Notice on any such date, then the Interest Rate Period on the Bonds shall not be adjusted, and the Bonds shall continue to bear interest at a Weekly Interest Rate or Bond Interest Term Rates, as the case may be, as in effect immediately prior to such proposed adjustment in the Interest Rate Period; provided, however, that in the event that the

Bonds are being adjusted from a Long-Term Interest Rate Period, and Bond Counsel fails to deliver such Favorable Opinion of Bond Counsel or the City fails to deliver a Rating Confirmation Notice on the effective date of such adjustment, then the Bonds nevertheless shall be adjusted to bear interest at a Weekly Interest Rate as provided in Section 205(d) hereof. In any event, if notice of such adjustment has been mailed to the Owners of the Bonds as provided in Section 205 and Bond Counsel fails to deliver a Favorable Opinion of Bond Counsel or the City fails to deliver a Rating Confirmation Notice on the effective date as herein described, the Bonds shall continue to be subject to mandatory purchase on the date which would have been the effective date of such adjustment as provided in Section 206 hereof.

Notwithstanding anything in this Section 205 to the contrary, in connection with the adjustment of any Interest Rate Period which would require the mandatory tender for purchase of Bonds at a purchase price, exclusive of accrued interest, greater than the principal amount thereof as provided in Section 206(c) hereof, the City, as a condition to exercising its option to cause an adjustment in the Interest Rate Period applicable to the Bonds, shall deliver to the Paying Agent prior to the mailing by the Paying Agent of notice of such adjustment in the Interest Rate Period, Available Moneys for the purpose of paying such premium, unless the Liquidity Facility then in effect with respect to the Bonds provides for the payment of such premium.

*Purchase of Bonds. (7) Optional Tender for Purchase During Weekly Interest Rate Period. During any Weekly Interest Rate Period, any Bond shall be purchased in whole (or in part if both the amount to be purchased and the amount remaining unpurchased shall consist of Authorized Denominations) from its Owner at the option of the Owner on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Accrual Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which case at a purchase price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the Tender Agent at its Principal Office of an irrevocable written notice which states the principal amount of such Bond and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Tender Agent. Any notice delivered to the Tender Agent after 4:00 p.m., New York City time, shall be deemed to have been received on the next succeeding Business Day.*

Mandatory Tender for Purchase On Day Next Succeeding the Last Day of Each Bond Interest Term. On the day next succeeding the last day of each Bond Interest Term for a Bond, unless such day is the first day of a new Interest Rate Period (in which event such Bond shall be subject to mandatory purchase pursuant to Section 206(c)), such Bond shall be purchased from its Owner at a purchase price equal to the principal amount thereof payable in immediately available funds. The purchase price of any Bond so purchased shall be payable only upon surrender of such Bond to the Tender Agent at its Principal Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof or his duly authorized attorney, with such signature guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

Mandatory Tender for Purchase on First Day of Each Interest Rate Period. The Bonds shall be subject to mandatory tender for purchase on the first day of each Interest Rate Period, or, in the event of an adjustment from one Interest Rate Period to another Interest Rate Period, on the day which would have been the first day of an Interest Rate Period had one of the events specified in Sections 205(e)(ii)(D) or 205(j) hereof not occurred which resulted in the interest rate on the Bonds not being adjusted, at a purchase price, payable in immediately available funds, equal to the principal amount of the Bonds or, in the case of a purchase on the first day of an Interest Rate Period which shall be preceded by a Long-Term Interest Rate Period and which shall commence prior to the day originally established as the last day of such preceding Long-Term Interest Rate Period, at a purchase price equal to the optional redemption price set forth in Section 301(b)(iii) hereof which would have been applicable to the Bonds on such mandatory purchase date if such preceding Long-Term Interest Rate Period had continued to the day originally established as its last day, plus accrued interest, if any.

Mandatory Tender for Purchase upon Expiration, Cancellation or Termination and Substitution of Liquidity Facility. Prior to the date when the interest rate on the Bonds is established at a Long-Term Interest Rate until their stated maturity (or during the Long-Term Interest Rate Period if a Liquidity Facility is then in effect), the Bonds shall be subject to mandatory tender for purchase at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase:

on a Business Day which is at least five (5) days prior to the date on which the Liquidity Facility is to be cancelled by the City in connection with its replacement by a Substitute Liquidity Facility pursuant to Section 207 hereof; or

except in the case of an Authorized Liquidity Termination, on a Business Day which is at least five (5) days prior to (A) a termination pursuant to an “event of default” (as defined in the Liquidity Facility) written notice of which has been delivered by the Bank to the City, the Tender Agent and the Paying Agent, or (B) expiration of the Liquidity Facility.

Notwithstanding anything in this Section 206(d) to the contrary, in the event that in connection with any such cancellation, termination or expiration of an existing Liquidity Facility and replacement thereof by a Substitute Liquidity Facility, the City shall deliver to the Paying Agent, the Tender Agent and the Remarketing Agent, prior to the date that notice of such cancellation, termination or expiration and substitution is given by the Paying Agent as provided in Section 207(f) hereof, a Rating Confirmation Notice, then the Bonds shall not be subject to mandatory tender for purchase as provided in this Section 206(d) solely as a result of such cancellation, termination or expiration and substitution.

Notice of Mandatory Tender for Purchase; Delivery of Bonds to be Purchased; Notice of Authorized Liquidity Termination. (8) In connection with any mandatory tender for purchase of Bonds in accordance with Section 206(c) or 206(d) hereof, the Paying Agent shall, unless the last paragraph of Section 206(d) hereof shall be applicable, give notice of a mandatory tender for purchase as a part of the notice given pursuant to Section 205(d)(iii), 205(e)(iii), 205(f)(iii) or 207(f) hereof. Such notice shall state (A) in the case of a mandatory tender for purchase pursuant to Section 206(c) hereof, the type of Interest Rate Period to commence on such mandatory purchase date; (B) in the case of a mandatory tender for purchase pursuant to Section 206(d) hereof, that the Liquidity Facility will expire, be cancelled, be substituted for or terminate, that, after the mandatory purchase date, the Bonds shall no longer be subject to purchase from the Liquidity Facility then in effect and that any rating applicable thereto may be reduced or withdrawn; (C) that the purchase price of any Bond so subject to mandatory purchase shall be payable only upon surrender of such Bond to the Tender Agent at its Principal Office for delivery of Bonds, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof or his duly authorized attorney, with such signature guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program; and (D) that all Bonds so subject to mandatory tender for purchase shall be purchased on the mandatory purchase date, and that if the Owner of a Bond subject to mandatory tender for purchase shall not surrender such Bond to the Tender Agent for purchase on such mandatory purchase date, then such Bond shall be deemed to be an Undelivered Bond, and that no interest shall accrue thereon on and after such mandatory purchase date and that the Owner thereof shall have no rights under this Resolution other than to receive payment of the purchase price thereof. The Paying Agent agrees that it will not require indemnity from any person as a condition to the giving of such notice.

For payment of the purchase price of any Bond required to be purchased pursuant to this Section 206 on the purchase date specified in the applicable notice, such Bond must be delivered, at or prior to 10:00 a.m., New York City time, on the date specified in such notice, to the Tender Agent at its Principal Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Tender Agent, executed in blank by the Owner thereof or his duly authorized attorney, with such signature guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program. In the event any such Bond is delivered after 10:00 a.m., New York City time, on such date, payment of the purchase price of such Bond need not be made until the Business Day following the date of delivery of such Bond, but such Bond shall nonetheless be deemed to have been purchased on the date specified in such notice and no interest shall accrue thereon after such date.

Upon the occurrence of an Authorized Liquidity Termination, the Bonds shall no longer be subject to purchase pursuant to the Liquidity Facility. If the Tender Agent shall receive notice of the occurrence of an Authorized Liquidity Termination, it shall immediately notify the Paying Agent of such occurrence, and the Paying Agent shall notify the Local Government Commission and the Owners within one Business Day following its receipt of such notice that an Authorized Liquidity Termination has occurred.

Notice Deemed to be Irrevocable Tender of Bond; Undelivered Bonds.

The giving of notice by an Owner of a Bond as provided in Section 206(a) hereof shall constitute the irrevocable tender for purchase of each such Bond with respect to which such notice shall have been given, regardless of whether such Bond is delivered to the Tender Agent for purchase on the relevant purchase date as provided in this Section 206.

The Tender Agent may refuse to accept delivery of any Bond for which a proper instrument of transfer has not been provided; such refusal, however, shall not affect the validity of the purchase of such Bond as herein described. If any Owner of a Bond who shall have given notice of tender of purchase pursuant to Section 206(a) hereof

shall fail to deliver such Bond to the Tender Agent at the place and on the applicable date and at the time specified, or shall fail to deliver such Bond properly endorsed, such Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of the Undelivered Bonds (including the Undelivered Bonds referred to in Section 206(e) hereof) are available for payment to the Owner thereof on the date and at the time specified, from and after the date and time of that required delivery, (1) each Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be outstanding under this Resolution; (2) interest shall no longer accrue thereon; and (3) funds in the amount of the purchase price of each such Undelivered Bond shall be held by the Tender Agent for the benefit of the Owner thereof (provided that the Owner shall have no right to any investment proceeds derived from such funds), to be paid on delivery (and proper endorsement) of such Undelivered Bond to the Tender Agent at its Principal Office for delivery of Bonds. Any funds held by the Tender Agent as described in clause (3) of the preceding sentence shall be held uninvested and not commingled.

Payment of Purchase Price by City. While the Bonds bear interest at the Weekly Interest Rate or Bond Interest Term Rates, or while the Bonds bear interest at a Long-Term Interest Rate and the City has elected to provide for a Liquidity Facility to be in effect during such Long-Term Interest Rate Period, the City may, but shall not be required to (unless the City is the obligor under the Liquidity Facility, if any, then in effect), pay the purchase price of any Bonds tendered for purchase pursuant to paragraph (a) of this Section 206 or subject to mandatory purchase pursuant to paragraphs (b), (c) or (d) of this Section 206 when due if moneys for such purchase are not otherwise available from the sources specified in Section 403(b)(i) and (ii). In such case, if the funds available for the purchase of Bonds are insufficient for the purchase of all Bonds tendered or deemed tendered on any purchase date (a "Failed Liquidity Purchase Date"), the Tender Agent shall return all Bonds to the Owners thereof, the Tender Agent shall return all moneys received for the purchase of such Bonds to the persons who provided such moneys, the Tender Agent shall immediately notify the Paying Agent of such occurrence, and the Paying Agent shall give the Owners notice by first class mail, postage prepaid, in substantially the form of Exhibit A, within three (3) Business Days following such occurrence. Upon such occurrence, the City agrees to pursue such curative action with reasonable diligence as shall be necessary to effect the purchase or cause the purchase of all of the Bonds. All Bonds (other than Bank Bonds) shall bear interest from the Failed Liquidity Purchase Date to the date that is 75 days thereafter or the date that the City purchases or causes the purchase of all Bonds, if earlier, at a rate equal to a floating rate per annum equal to 70% of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations, as reported in The Wall Street Journal on the Tuesday preceding the Failed Liquidity Purchase Date, and on each Tuesday thereafter, or the next succeeding Business Day if any such Tuesday is not a Business Day, plus 300 basis points (3%). If a Liquidity Facility provided by a person other than the City was in effect on the Failed Liquidity Purchase Date and the City has not purchased or caused to be purchased the Bonds by the date that is 75 days after the Failed Liquidity Purchase Date, then, commencing on the next day and continuing until such Bonds are purchased, the interest rate on the Bonds (other than Bank Bonds) shall be 12% per annum. In the event that the City purchases or causes the purchase of the Bonds, the Bonds shall thereafter bear interest at a Weekly Interest Rate, Bond Interest Term Rates or a Long-Term Interest Rate, as determined by the City. If the City was the obligor under the Liquidity Facility on the Failed Liquidity Purchase Date and fails to purchase or cause the purchase of any Bonds tendered for purchase pursuant to paragraph (a) of this Section 206 or subject to mandatory tender for purchase pursuant to paragraph (b), (c) or (d) of this Section 206 within thirty (30) days after the Failed Liquidity Purchase Date, the Bonds shall be subject to mandatory redemption in whole as provided in Section 301(e). If the City was not the obligor under the Liquidity Facility on the Failed Liquidity Purchase Date, failure by the City to pay the purchase price of any Bonds tendered for purchase pursuant to paragraph (a) of this Section 206 or subject to mandatory tender for purchase pursuant to paragraph (b), (c) or (d) of this Section 206 when due, if moneys for such purchase are not otherwise available from the sources specified in Section 403(b)(i) and (ii), as provided for in this paragraph (g), shall not require the mandatory redemption of the Bonds.

Insufficient Funds to Pay Purchase Price During Long-Term Interest Rate Period. If the Bonds bear interest at a Long-Term Interest Rate and the City has elected not to provide for a Liquidity Facility to be in effect (and a Liquidity Facility is not otherwise required to be in effect pursuant to Section 207(a)) during such Long-Term Interest Rate Period, and if the moneys available for the purchase of Bonds under Section 403(b)(i) are insufficient for the purchase of all Bonds which are tendered or deemed tendered for purchase on any mandatory tender date during a Long-Term Interest Rate Period (a "Failed Non-Liquidity Purchase Date"), the Tender Agent shall return all Bonds to the Owners thereof, the Tender Agent shall return all moneys received for the purchase of such Bonds to the persons who provided such moneys, the Tender Agent shall immediately notify the Paying Agent of such occurrence, the Paying Agent give the Owners notice by first class mail, postage prepaid, in substantially the form of Exhibit A, within three (3) Business Days following such occurrence, and all Bonds shall bear interest from such Failed Non-Liquidity Purchase Date at a rate equal to 12% per annum. Upon such occurrence, the City agrees to pursue such curative action with reasonable diligence as shall be necessary to effect the purchase or cause the purchase of all of the Bonds. In the event that the City purchases or causes the purchase of the Bonds, the Bonds shall thereafter bear interest at a Weekly Interest Rate, Bond Interest Term Rates or a

Long-Term Interest Rate, as determined by the City. If the City fails to purchase or cause the purchase of the Bonds within thirty (30) days the Bonds shall be subject to mandatory redemption in whole pursuant to Section 301(e).

Book-Entry Tender and Delivery Procedures. Notwithstanding anything to the contrary contained in this Resolution, for so long as a Securities Depository Nominee is the sole registered owner of the Bonds, all tenders for purchase and deliveries of Bonds tendered for purchase or subject to mandatory tender under the provisions of this Resolution shall be made pursuant to the Securities Depository's procedures as in effect from time to time and neither the City, the Tender Agent, the Paying Agent nor the Remarketing Agent shall have any responsibility for or liability with respect to the implementation of such procedures.

The Liquidity Facility. (9) *During a Weekly Interest Rate Period or a Short-Term Interest Rate Period, the City shall cause a Liquidity Facility to be in effect. During a Long-Term Interest Rate Period, the City may elect to provide for a Liquidity Facility to be in effect, but the City shall not be required to have a Liquidity Facility in effect so long as each Rating Agency then maintaining a long-term rating on the Bonds has assigned a long-term rating to the Bonds that is not below its second highest rating category (without regard to gradations by numerical modifier or otherwise). The City may be the obligor under a Substitute Liquidity Facility, provided that at the time the City enters into the Substitute Liquidity Facility, there shall have been delivered to the Tender Agent either (i) the written consent of the Local Government Commission or (ii) a Rating Confirmation Notice confirming that each Rating Agency then maintaining a long-term rating on the Bonds will not withdraw or reduce its long-term rating on the Bonds to a long-term rating below the second highest rating category (without regard to gradations by numerical modifier or otherwise) as a result of the delivery of such Substitute Liquidity Facility. The Standby Agreement and any Substitute Liquidity Facility shall be an obligation of the Bank or, in the case of a Substitute Liquidity Facility provided by the City, the City to pay, subject to the conditions set forth in the Liquidity Facility, to the Tender Agent upon request made with respect to the Bonds related thereto and in accordance with the terms thereof:*

an amount not exceeding the aggregate principal amount of such Bonds to pay the portion of the purchase price of such Bonds equal to the principal amount of such Bonds delivered or required to be delivered to the Tender Agent for purchase; and

while such Bonds bear interest at a Weekly Rate, an amount equal to the interest on such Bonds for thirty-five (35) days computed at the rate of 12% per annum, to pay the portion of the purchase price of such Bonds equal to interest on such Bonds delivered or required to be delivered to the Tender Agent for purchase and, if the Bonds are converted to bear interest at Bond Interest Term Interest Rates or a Long-Term Interest Rate, an amount as shall be determined to be necessary to provide for the payment pursuant to the applicable Liquidity Facility of such interest portion of such purchase price in order to obtain a Rating Confirmation Notice.

(b) If at any time the City shall deliver to the Tender Agent (i) a Substitute Liquidity Facility, (ii) an Opinion of Counsel stating that the delivery of such Substitute Liquidity Facility is authorized under this Resolution and complies with the terms hereof, (iii) a Favorable Opinion of Bond Counsel, (iv) one or more Opinions of Counsel, addressed to the Tender Agent, to the effect, singly or together, that the Substitute Liquidity Facility is a legal, valid and binding obligation of the Bank or the City, as the case may be, enforceable against the Bank or the City in accordance with its terms, except as limited by applicable reorganization, insolvency, liquidation, readjustment of debt, moratorium or other similar laws affecting the enforcement of the rights of creditors generally as such laws may be applied in the event of a reorganization, insolvency, liquidation, readjustment of debt or other similar proceeding of or moratorium applicable to the Bank or the City and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), (v) written evidence that notice of mandatory tender as required by Section 206(e) hereof has been sent to the Owners prior to such substitution, and (vi) if applicable, the consent of the Local Government Commission or the Rating Confirmation Notice required for the City to be the obligor under a Substitute Liquidity Facility, then the Tender Agent shall, so long as such Substitute Liquidity Facility shall contain administrative procedures which are acceptable to the Tender Agent in its reasonable discretion, accept such Substitute Liquidity Facility, enforce payment of any amounts due under the existing Liquidity Facility to the extent required by this Resolution and promptly surrender the existing Liquidity Facility to the City thereof.

(c) Any Substitute Liquidity Facility shall be a purchase agreement, letter of credit or other liquidity facility, or any combination thereof, issued by one or more commercial banks or savings and loan associations, or other financial institutions, or the City the terms of which shall in all respects material to the interests of the Owners be the same as those contained in the Standby Agreement, except that the amount available under such Substitute Liquidity Facility to pay the interest portion of the purchase price of the Bonds pursuant to such Substitute Liquidity Facility may change in

accordance with Section 207(a) hereof and that the expiration date of such Substitute Liquidity Facility may be later than the expiration date for the existing Liquidity Facility. No Substitute Liquidity Facility shall become effective without the approval of the Commission.

(d) If a Liquidity Facility is in effect with respect to the Bonds, the Tender Agent shall present all drafts, demands, and other documents required by such Liquidity Facility (in the manner therein permitted and by the time required thereby) for the payment of funds thereunder (after taking into account funds from remarketing and any moneys made available by the City as herein provided then held by the Tender Agent) sufficient to pay, on each purchase date, the purchase price for such Bonds tendered.

(e) In connection with the termination, expiration or cancellation of the Liquidity Facility requiring mandatory purchase of Bonds as provided in Section 206(d) hereof, the Paying Agent is hereby directed to give the notice of mandatory tender for purchase of the Bonds as provided in Section 207(f) hereof.

(f) The Paying Agent shall give notice by mail to the Owners of the Bonds then subject to purchase from the Liquidity Facility on or before the 20th day preceding the expiration of any Liquidity Facility in accordance with its terms, or any termination or replacement of the Liquidity Facility which will cause the Bonds to cease to be subject to purchase from funds provided under the Liquidity Facility (except upon the occurrence of an Authorized Liquidity Termination in which case notice will be given as described in Section 206(e)(iii) hereof), which notice shall, to the extent applicable, (1) describe generally the Substitute Liquidity Facility in effect or to be in effect upon such replacement, termination or expiration, (2) state the date of such replacement, termination or proposed substitution of the Substitute Liquidity Facility, (3) describe any termination of the Liquidity Facility and the effective date thereof, (4) specify the ratings, if any, to be applicable to Bonds after such replacement, termination or expiration of the Liquidity Facility or state that no ratings have been obtained with respect to the Bonds for the period subsequent to such replacement, termination or expiration of the Liquidity Facility, and (5) unless the Liquidity Facility will be replaced by a Substitute Liquidity Facility in respect of such Bonds as described in the last paragraph of Section 206(d) hereof, in which case the notice shall state that the Bonds are not subject to mandatory tender for purchase, state (A) that the Bonds will be purchased pursuant to Section 206(d) and (B) the date of such purchase, which date shall be a Business Day that is not less than ten (10) days after the giving of such notice and at least five (5) days prior to such expiration or termination. The Paying Agent agrees that it will not require indemnity from any person as a condition to the giving of such notice. The City will give the Tender Agent and the Paying Agent written notification of any termination or replacement of the Liquidity Facility as soon as practicable after receiving knowledge thereof. The City shall provide the Tender Agent and the Paying Agent with written notice of any information required to enable the Paying Agent to give the foregoing notice and shall provide the Paying Agent with the form of such notice; provided, however, that in the event the City shall fail to provide such notice, the Tender Agent shall provide such notice to the Paying Agent.

(g) Following the adjustment of all of the Bonds to a Long-Term Interest Rate until their stated maturity, the Bonds shall no longer be subject to tender for purchase.

Authentication of Bonds. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinabove set forth, duly executed by the Paying Agent, shall be entitled to any benefit or security under this Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond shall have been duly executed by the Paying Agent, and such certificate of the Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Paying Agent's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by the Paying Agent or his designee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time.

Exchange of Bonds. Bonds, upon surrender thereof at the principal corporate trust office of the Paying Agent, together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Paying Agent, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of any Authorized Denominations and in the same form as the Bonds surrendered for exchange.

The City shall make provision for the exchange of the Bonds at the principal corporate trust office of the Paying Agent.

Registration and Registration of Transfer of Bonds. The City shall appoint such registrars, transfer agents, paying agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange



*of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal, interest and any redemption premium with respect to the Bonds. First-Citizens Bank & Trust Company is hereby appointed as the Paying Agent for the Bonds, subject to the right of the City Council to appoint a successor Paying Agent at any time. The Paying Agent shall keep the books of the City for registration, registration of transfer, exchange and payment of the Bonds as provided in this Resolution. Such registration books shall be available at all reasonable times for inspection by the City, and the Paying Agent shall provide to the City, upon its written request, an accurate copy of the names and addresses of the Owners set forth on such books.*

The transfer of any Bond may be registered only upon the books kept for the registration of and registration of transfer of Bonds upon surrender thereof to the Paying Agent together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Paying Agent. Upon any such registration of transfer the City shall cause to be executed and the Paying Agent shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any Authorized Denominations and in an aggregate principal amount equal to the principal amount of such Bond surrendered.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the City shall cause to be executed and the Paying Agent shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Paying Agent. No service charge shall be made for any registration of transfer or exchange of Bonds, but the City and the Paying Agent may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Bonds. Except in connection with a purchase of any Bond upon remarketing and except for the unredeemed portion of any Bond which has been called for redemption in part, neither the Paying Agent nor the City shall be obligated to exchange or register the transfer of any Bond which has been called or selected for call for redemption in whole or in part. Except in connection with a purchase of any Bond upon remarketing, neither the Paying Agent nor the City shall be obligated to exchange or register the transfer of any Bond during a period of fifteen (15) days preceding the giving of a notice of redemption. If the transfer of any Bond which has been called or selected for call for redemption in whole or in part is required by this Resolution, any notice of redemption which has been given to the transferor shall be binding upon the transferee and a copy of the notice of redemption shall be delivered to the transferee by the Paying Agent along with the Bond or Bonds.

*Ownership of Bonds.* *The City, the Paying Agent, the Tender Agent and any agent of the City, the Paying Agent or the Tender Agent may treat the person in whose name any Bond is registered as the Owner of such Bond for the purpose of receiving payment of principal or purchase price of and redemption premium, if any, and interest on, such Bond, and for all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by law, neither the City, the Paying Agent, the Tender Agent nor any such agent shall be affected by notice to the contrary.*

*Initial Delivery of Bonds.* *The Bonds shall be executed substantially in the form and in the manner hereinabove set forth, shall be deposited with the Paying Agent for authentication and shall be delivered by the Paying Agent to or upon the order of the State Treasurer of the State for delivery to or upon the order of the purchasers thereof, but before the Bonds shall be delivered to or upon the order of the purchasers thereof, there shall be filed or deposited with the Commission the following:*

a copy, certified by the Secretary of the Commission to be a true and correct copy, of the resolution or resolutions of the Commission approving the issuance of and awarding or providing for the award of the Bonds;

a copy, certified by the City Clerk of the City to be a true and correct copy, of this Resolution; and

fully executed counterparts of the Remarketing Agreement, the Standby Agreement and the Tender Agreement.

When the documents mentioned in paragraphs (a) to (c), inclusive, of this Section shall have been filed or deposited with the Commission and when the Bonds shall have been executed and authenticated as required by this Resolution, the State Treasurer shall deliver the Bonds at one time to or upon the order of the purchasers thereof, but only upon payment to or upon the order of the State Treasurer of the purchase price of the Bonds.

*Delivery of Purchased Bonds.* *Each Bond purchased by the Tender Agent shall be delivered by the Tender Agent to the Paying Agent, and the Paying Agent shall register the transfer of such Bond upon the books kept for the registration and registration of transfer of Bonds. Thereupon the City shall cause to be executed and the Paying Agent shall*

authenticate and deliver a new registered Bond or Bonds, registered in the name of the purchaser or purchasers thereof, in an aggregate principal amount equal to the principal amount of the purchased Bond, in Authorized Denominations, of like date and tenor, in exchange for such Bond.

Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City shall cause to be executed, and the Paying Agent shall authenticate and deliver, a new Bond of like date, tenor and maturity in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed, stolen or lost, and the Owner shall pay the reasonable expenses and charges of the City and the Paying Agent in connection therewith and, in case of a Bond destroyed or lost, the Owner shall file with the Paying Agent evidence satisfactory to it and to the City that such Bond was destroyed or lost, and of his ownership thereof, and shall furnish the City and the Paying Agent indemnity satisfactory to them.

Every Bond issued pursuant to the provisions of this Section 214 in exchange or substitution for any Bond which is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the Commission, whether or not the destroyed, lost or stolen Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued under this Resolution. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

## REDEMPTION OF BONDS

Terms of Redemption. (h) The Bonds shall not be subject to prior redemption except as provided in this Article III.

(i) On any Interest Payment Date during a Weekly Interest Rate Period, the Bonds shall be subject to optional redemption by the City, in whole or in part, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed.

On the day succeeding the last day of any Bond Interest Term with respect to any Bond, such Bond shall be subject to optional redemption by the City, in whole or in part, at a redemption price equal to 100% of the principal amount of such Bond to be redeemed.

During any Long-Term Interest Rate Period, the Bonds shall be subject to optional redemption by the City on the first day thereof, in whole or in part, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, and thereafter, during the periods specified below or, if approved by Bond Counsel as provided in Section 205(e)(ii) hereof, during the periods specified in the notice of the City to the Paying Agent pursuant to Section 205(e)(ii)(A) hereof, in whole or in part at any time, at the redemption prices (expressed as a percentage of principal amount) hereinafter indicated or specified in the notice of the City to the Paying Agent pursuant to Section 205(e)(ii)(A) hereof, plus accrued interest, if any, to the redemption date:

Length of Long-Term Interest Rate Period (expressed in years)	Redemption Price
greater than 10	after 7 years at 101%, declining after one year to 100%
less than or equal to 10 and greater than 7	after 5 years at 100%
less than or equal to 7 and greater than 4	after 3 years at 100%
less than or equal to 4	after 2 years at 100%

The Bonds are required to be redeemed by the City, to the extent of any Amortization Requirement therefor, on February 1 immediately following each Bond Year in which there is an Amortization Requirement, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed.

If the Bank shall have purchased Bonds pursuant to the Liquidity Facility and such Bonds shall not have been purchased from the Bank on any date such purchase is required by the terms of the Liquidity Facility, such Bonds are required to be redeemed by the City on such date at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

In the event the City shall have failed to purchase Bonds within 30 days following a Failed Liquidity Purchase Date or a Failed Non-Liquidity Purchase Date when required to do so by Section 206(g) or Section 206(h), the Bonds shall be subject to mandatory redemption in whole on the next succeeding Business Day at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

*Selection of Bonds to be Redeemed. If less than all of the Bonds are to be redeemed, the Paying Agent shall first select and call Bank Bonds for redemption and thereafter the particular Bonds to be redeemed shall be selected by the Paying Agent by lot in such manner as the Paying Agent in his or its discretion may determine; provided, however, that any Bonds or portions thereof that have not been so called for redemption shall be in Authorized Denominations, and, for so long as the Owner is a Securities Depository Nominee, such selection shall be made by the Securities Depository.*

For all purposes of this Resolution, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

*Election to Redeem and Notice to Paying Agent; Redemption Notice; Conditional Notice. (j) In case of any redemption pursuant to Section 301(b) or 301(c) hereof, the City shall, at least fifteen (15) days prior to the date that notice of redemption is required to be given by the Paying Agent (unless a shorter notice shall be satisfactory to the Paying Agent), notify the Paying Agent in writing of such redemption date and of the principal amount of Bonds to be redeemed. A copy of such notice to the Paying Agent shall be sent by first class mail, postage prepaid, to the Bank by the City at the same time it is sent to the Paying Agent.*

In the case of any redemption of Bonds (other than a redemption of Bank Bonds pursuant to Section 301(d) or a redemption of Bonds pursuant to Section 301(e) as to which no notice shall be required), not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds, whether such redemption be in whole or in part, the City shall cause a notice of such redemption, signed by the Paying Agent, to be given by first-class mail, postage prepaid, to Fitch, Moody's, S&P, the Remarketing Agent and all Owners of Bonds to be redeemed in whole or in part at their addresses appearing upon the registration books kept by the Paying Agent; provided that any such notice to any Securities Depository shall be given by facsimile. Failure to mail any such notice to Fitch, Moody's, S&P or the Remarketing Agent or any defect in the notice so mailed shall not affect the validity of the proceedings for the redemption of the Bonds and failure to mail any such notice to any Owner or any defect in any notice so mailed shall not affect the validity of the proceedings for the redemption of the Bonds of any other Owners to whom such notice was given as required hereby. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. Each such notice shall also state that pursuant to Section 304 hereof interest on the Bonds to be redeemed shall cease to accrue on the date fixed for redemption and that, if any Bond is to be redeemed in part only, on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice of redemption (other than a notice with respect to a redemption under Section 301(c) hereof) may state that the redemption to be effected is conditioned on receipt by the Paying Agent on or before the redemption date of moneys sufficient to pay the redemption price of and interest on the Bonds to be redeemed. If such notice contains such a condition and moneys sufficient to pay the redemption price of and interest on such Bonds are not received by the Paying Agent on or before the redemption date, the redemption shall not be made and the Paying Agent shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received and the redemption will not take place.

At least thirty (30) days before the redemption date, the Paying Agent shall give such notice by (i) telephonically confirmed facsimile transmission, (ii) overnight delivery service or (iii) electronic transmission to the following securities depository at the address, transmission number and e-mail address given, or such other address, transmission number or e-mail address as may have been delivered in writing to the Paying Agent for such purpose not later than the close of business on the day before such notice is given:

The Depository Trust Company  
Call Notification Department  
55 Water Street, 50th Floor  
New York, New York 10041-0099  
Telephone: (212) 855-7207  
Facsimile: (212) 855-7232  
E-mail: RedemptionNotification@dtcc.com

At least thirty (30) days before the date of redemption, such notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service to at least two securities information services selected by the Paying Agent.

Failure by the Paying Agent to give notice pursuant to paragraph (d) or (e) of this Section 303 to any one or more of the securities depositories or information services named therein or any defect therein shall not affect the sufficiency of the proceedings for redemption.

*Effect of Calling for Redemption. On or before the date fixed for redemption, moneys shall be deposited with the Paying Agent sufficient to pay, on the redemption date thereof, the redemption price of the Bonds or portions thereof called for redemption as well as the interest accruing on such Bonds to, but not including, the redemption date thereof.*

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If money sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Paying Agent in trust for the Owners of Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue; such Bonds or portions thereof shall cease to be entitled to any benefits or security under this Resolution or to be deemed outstanding; and the Owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

*Redemption of Portion of Bond. If a portion of an outstanding Bond shall be selected for redemption, the Owner thereof or his attorney or legal representative shall present and surrender such Bond to the Paying Agent for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the City shall cause to be executed and the Paying Agent shall authenticate and deliver to or upon the order of such Owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of any Authorized Denominations; provided, however, that if the Owner is a Securities Depository Nominee, the Securities Depository, in its discretion, (a) may surrender such Bond to the Paying Agent and request that the City and the Paying Agent issue and authenticate a new Bond for the unredeemed portion of the principal amount of the Bond so surrendered or (b) shall make an appropriate notation on the Bond indicating the dates and amounts of such reduction in principal.*

*Cancellation. Bonds so redeemed, presented and surrendered shall be cancelled upon the surrender thereof.*

*Notice to Bank. The Paying Agent shall promptly deliver to the Bank prompt written notice when none of the Bonds are outstanding under this Resolution.*

REMARKETING AGENT, TENDER AGENT, AND PURCHASE AND  
REMARKETING OF BONDS

Remarketing Agent and Tender Agent for Bonds. (k) *The initial Remarketing Agent for the Bonds shall be Banc of America Securities LLC. The City shall appoint any successor Remarketing Agent for the Bonds, subject to the conditions set forth in Section 402(a) hereof and the approval of the Bank. Each Remarketing Agent shall designate its Principal Office (other than the initial Remarketing Agent whose Principal Office is listed in Section 604 hereof) and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the City and the Bank under which the Remarketing Agent will agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City and the Bank at all reasonable times.*

The initial Tender Agent for the Bonds shall be First-Citizens Bank & Trust Company. The City shall appoint any successor Tender Agent for the Bonds, subject to the conditions set forth in Section 402(b) hereof. Each Tender Agent shall designate its Principal Office(s) for delivery of notices and delivery of Bonds (except for the office of the initial Tender Agent which is listed in Section 604 hereof) and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Paying Agent, the City and the Remarketing Agent. By acceptance of its appointment hereunder, the Tender Agent agrees:

to hold all Bonds delivered to it pursuant to Section 206 hereof, as agent and bailee of, and in escrow for the benefit of, the respective Owners which shall have so delivered such Bonds until moneys representing the purchase price of such Bonds shall have been delivered to or for the account of or to the order of such Owners;

(ii) to establish and maintain a separate segregated trust fund designated as "City of Greensboro General Obligation Public Improvement Bonds, Series 2006B Bond Purchase Fund" (the "Bond Purchase Fund") until such time as it has been discharged from its duties as Tender Agent hereunder;

(iii) to hold all moneys (without investment thereof) delivered to it hereunder in the Bond Purchase Fund for the purchase of Bonds pursuant to Section 206 hereof, as agent and bailee of, and in escrow for the benefit of, the person or entity which shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity;

(iv) to hold all moneys delivered to it by the City for the purchase of Bonds pursuant to Section 206 hereof, as agent and bailee of, and in escrow for the benefit of, the Owners or former Owners who shall deliver Bonds to it for purchase until the Bonds purchased with such moneys shall have been delivered to or for the account of the City;

(v) to hold all Bonds registered in the name of the new Owners thereof which have been delivered to it by the Paying Agent for delivery to the Remarketing Agent in accordance with the Tender Agreement;

(vi) to hold Bonds for the account of the City as contemplated by Section 405(c) hereof; and

(vii) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City, the Paying Agent, the Bank and the Remarketing Agent at all reasonable times.

The City shall cause the necessary arrangements to be made and to be thereafter continued to enable the Tender Agent to perform its duties and obligations described above.

Qualifications of Remarketing Agent and Tender Agent; Resignation; Removal. (viii) *The Remarketing Agent shall be (i) a member of the National Association of Securities Dealers, having a combined capital stock, surplus and undivided profits of at least \$75,000,000 or (ii) a national banking association or state banking corporation having combined capital stock, surplus and undivided profits of at least \$100,000,000, authorized, in each case, by law to perform all the duties imposed upon it by this Resolution. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving notice to the City, the Paying Agent, the Tender Agent and the Bank. Such resignation shall take effect on the 45th day after the receipt by the City and the Paying Agent of the notice of*

*resignation. The Remarketing Agent may be removed at any time on forty-five (45) days' prior written notice, by an instrument signed by the City and filed with the Remarketing Agent, the Paying Agent, the Tender Agent and the Bank.*

The Tender Agent shall be a bank with trust powers or a trust company duly organized under the laws of the United States of America or any state or territory thereof, and having combined capital stock, surplus and undivided profits of at least \$100,000,000 and authorized by law to perform all the duties imposed upon it by this Resolution and the Tender Agreement. The Tender Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) days' notice to the Paying Agent, the City, the Bank and the Remarketing Agent. The Tender Agent may be removed at any time by an instrument signed by the City, filed with the Tender Agent, the Paying Agent, the Bank and the Remarketing Agent. Such resignation or removal shall take effect on the day a successor Tender Agent shall have been appointed by the City and shall have accepted such appointment. Upon the effective date of resignation or removal of the Tender Agent, the Tender Agent shall deliver any Bonds and moneys held by it in such capacity to its successor.

*Notice of Bonds Delivered for Purchase; Purchase of Bonds. (ix) The Tender Agent shall determine timely and proper delivery of Bonds pursuant to this Resolution and the proper endorsement of such Bonds. Such determination shall be binding on the Owners of such Bonds, the City, the Remarketing Agent and the Paying Agent, absent manifest error. In accordance with the provisions of the Tender Agreement, the Tender Agent shall give notice by telephone, telecopy or telex promptly confirmed by a written notice, to the Paying Agent, the Remarketing Agent and the Bank specifying the principal amount of, if any, as to which it has received notice of tender for purchase in accordance with Section 206(a) hereof.*

Bonds required to be purchased in accordance with Section 206 hereof shall be purchased from the Owners thereof by 4:00 p.m. on the date and at the purchase price at which such Bonds are required to be purchased. Funds for the payment of such purchase price shall be derived from the following sources in the order of priority indicated:

proceeds of the sale of such Bonds remarketed to any person pursuant to Section 404 hereof and furnished to the Tender Agent by the Remarketing Agent for deposit into the Remarketing Account of the Bond Purchase Fund;

moneys furnished by the Bank to the Tender Agent pursuant to the Liquidity Facility for deposit into the Liquidity Provider Account of the Bond Purchase Fund; and

moneys furnished by the City to the Tender Agent pursuant to Section 206(g) hereof for deposit into the General Account of the Bond Purchase Fund.

In the event that a premium is required to be paid upon the purchase of any Bond as provided in Section 206 hereof, and the Liquidity Facility, if any, then in effect shall not provide for the payment of a premium upon the purchase of Bonds, then moneys derived pursuant to the Liquidity Facility shall be applied solely to the payment of purchase price equal to principal of and interest on the Bonds and not to the payment of any such premium.

The Tender Agent may establish separate accounts or subaccounts within the Bond Purchase Fund for such purposes as the Tender Agent may deem appropriate.

The Paying Agent shall authenticate a new Bond or Bonds in an aggregate principal amount equal to the principal amount of Bonds purchased in accordance with Section 403(b) hereof, whether or not the Bonds so purchased are presented by the Owners thereof, bearing a number or numbers not contemporaneously outstanding. Every Bond authenticated and delivered as provided in this Section shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued hereunder.

In the event any Bonds purchased as provided in this Section 403 shall not be presented to the Tender Agent, the Tender Agent shall segregate and hold the moneys for the purchase price of such Bonds in trust for the benefit of the former Owners of such Bonds, who shall, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the purchase price of such Bonds. Any money that is so set aside and that remains unclaimed by the Owners for a period of five (5) years after the date on which such Bonds have become payable shall be treated as abandoned property pursuant to the provisions of Section 116B-53 of the General Statutes of North Carolina, and the Paying Agent shall report and remit this property to the State Treasurer in accordance with the requirements of Article 4 of Chapter 116B of the General Statutes of North Carolina, and thereafter the Owners shall look only to the State Treasurer for payment and then only to the extent of the amounts so received, without any

interest thereon, and the Paying Agent, the Tender Agent and the City shall have no responsibility with respect to such money.

Remarketing of Bonds; Notice of Interest Rates. (x) Upon receipt of notice of the tender for purchase of Bonds, the Remarketing Agent shall offer for sale and use its best efforts to sell such Bonds, any such sale to be made on the date of such purchase in accordance with Section 206 at a price equal to the principal amount thereof plus accrued interest, if any; provided, however, that no Bonds shall be remarketed to the City or any entity controlled by it. Any Bond which is tendered for purchase pursuant to Section 206(a) hereof after such Bond has become subject to mandatory tender for purchase pursuant to Section 206(c) or 206(d) hereof shall be sold by the Remarketing Agent only to a purchaser who agrees to (i) refrain from selling that Bond other than under the terms of this Resolution, or (ii) hold that Bond only to the date of mandatory purchase.

The Remarketing Agent shall determine the rate of interest to be borne by the Bonds during each Interest Rate Period and by each Bond during each Bond Interest Term for such Bond and the Bond Interest Terms for each Bond during each Short-Term Interest Rate Period as provided in Section 205 hereof and shall furnish to the City and the Paying Agent, on the Business Day next following such date of determination, each rate of interest and Bond Interest Term so determined by telex, telephone or telecopy, promptly confirmed in writing, or shall make such information available to such parties by readily accessible electronic means.

The Remarketing Agent shall give telephonic or telegraphic notice, promptly confirmed by a written notice, to the City, the Paying Agent, and the Tender Agent on each date on which Bonds shall have been purchased pursuant to Section 403(b) hereof, specifying the principal amount of Bonds, if any, sold by it pursuant to Section 404(a) hereof along with a list of such purchasers showing the names and Authorized Denominations in which such Bonds shall be registered, and the addresses and social security or taxpayer identification numbers of such purchasers.

Delivery of Bonds. (xi) Bonds purchased with moneys described in clause (i) of Section 403(b) hereof shall be made available by the Paying Agent to the Remarketing Agent for delivery to the purchasers thereof against payment therefor in accordance with the Tender Agreement.

Bonds purchased with moneys described in clause (ii) of Section 403(b) hereof shall be held by the Bank (or its nominee or designee) or the Tender Agent as Bank Bonds pursuant to the Tender Agreement and the Liquidity Facility.

Bonds purchased with moneys described in clause (iii) of Section 403(b) hereof shall be held by the Tender Agent for the account of the City or, upon the direction of the City, cancelled.

Bonds delivered as provided in this Section 405 shall be registered in the manner directed by the recipient thereof or as provided in the Tender Agreement.

Delivery of Proceeds of Sale. The proceeds of the sale by the Remarketing Agent of any Bonds delivered to it by, or held by it for the account of, the Bank or the City, or delivered to it by any other Owner, shall be turned over to the Tender Agent as provided in the Tender Agreement.

Request for Funds under Liquidity Facility to Pay Purchase Price of Bonds. The Tender Agent, on each day on which Bonds are required to be purchased pursuant to Section 206 hereof, is hereby directed to request funds under the Liquidity Facility by such times and in such manner as shall be required in order for it to receive immediately available funds on such date to pay the purchase price plus accrued interest, if any, of Bonds tendered for purchase or required to be purchased pursuant to the provisions of this Resolution at the times, on the dates, to the extent, and in the manner herein and in the Tender Agreement provided and to deposit such funds in the Liquidity Provider Account of the Bond Purchase Fund pending application of such funds to the payment of the purchase price of the Bonds. In determining the amount of any such purchase price then due, the Tender Agent shall not take into consideration any purchase price due on Bank Bonds, Pledged Bonds (as defined in the Standby Agreement) or Bonds held by the City and no funds under any Liquidity Facility shall be used to pay the purchase price of any Bank Bonds or Bonds held by the City.

## SUPPLEMENTAL RESOLUTIONS

*Supplemental Resolutions. The City may, from time to time and at any time, with the prior written consent of the Bank, which will not be unreasonably withheld, pass resolutions amending or supplementing this Resolution:*

to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision relating to the Bonds herein or in such Bonds;

to insert such provisions clarifying matters or questions with respect to the Bonds as are necessary or desirable and are not contrary to or inconsistent with such Bonds and this Resolution theretofore in effect;

to change the maximum interest rate that the Bonds may bear, provided that such change is approved by the Commission; or

to make changes necessary in connection with the delivery of a Substitute Liquidity Facility hereunder;

provided, however, that, in the judgment of the City, such amendments or supplements do not materially and adversely affect the Owners.

The effectiveness of each such resolution is conditioned upon delivery to the City and the Paying Agent of a Favorable Opinion of Bond Counsel.

## MISCELLANEOUS PROVISIONS

*Tax Covenant. The City covenants that, to the extent permitted by the Constitution and laws of the State, it will comply with the requirements of the Code except to the extent that the City obtains a written opinion of Bond Counsel to the effect that noncompliance would not result in interest on the Bonds being includable in the gross income of the Owners for purposes of federal income taxation.*

*Continuing Disclosure. Notwithstanding any provision in this Resolution to the contrary, no adjustment of the Bonds to a Long-Term Interest Rate shall be permitted unless the City shall have adopted such resolutions or entered into such contractual obligations as are necessary to comply with the provisions of Rule 15c2-12 issued under the Securities Exchange Act of 1934 (the "Rule"), as the Rule may be amended or supplemented from time to time, with respect to the Bonds, and shall have provided the Remarketing Agent with such disclosure documents as the Remarketing Agent shall require in order to comply with the Rule, if the Rule will be applicable upon such adjustment.*

*Certain Approvals. The Commission is hereby requested to sell the Bonds at private sale without advertisement to any purchaser or purchasers thereof, at such prices and compensation to the purchasers as the Commission determines to be in the best interest of the City, subject to the approval of the Finance Director; provided, however, that the purchase price of the Bonds is at least 99% of the face value of the Bonds. The Commission is hereby also requested to print and distribute an Official Statement relating to the sale of the Bonds substantially in the form of the draft dated January 19, 2006 presented at this meeting. The Official Statement, substantially in the form presented at this meeting, is hereby approved, and the Mayor, the City Manager and the Finance Director of the City are each hereby authorized to approve changes in such Official Statement and to execute such Official Statement for and on behalf of the City. The Finance Director is hereby also authorized to approve the purchase price of the Bonds and the compensation to the underwriter thereof in connection with the private sale of the Bonds, subject to the provisions of this paragraph.*

The Remarketing Agreement substantially in the form of the draft dated January 19, 2006, the Standby Agreement substantially in the form of the draft dated January 19, 2006, the Tender Agreement substantially in the form of the draft dated January 6, 2006 and a Bond Purchase Agreement between the Commission and the underwriter of the Bonds substantially in the form of the draft dated January 19, 2006, each presented at this meeting, are hereby approved and the Mayor, the City Manager or the Finance Director is hereby authorized to approve changes in each such agreement as to him shall seem necessary, desirable or appropriate to effectuate the purposes thereof and to execute each such agreement for and on behalf of the City. The Mayor, the City Manager and the Finance Director are each hereby also authorized to approve and to execute for and on behalf of the City any other agreement or document required in connection with the issuance of the Bonds and not inconsistent with this Resolution.



*Manner of Giving Notice. Except as otherwise specifically provided herein, all notices, demands and requests to be given to or made hereunder by the City, the Commission or the Paying Agent shall be given or made in writing and shall be deemed to be properly given or made if sent by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:*

As to the City--

City of Greensboro  
Melvin Municipal Office Building  
300 West Washington Street  
Greensboro, North Carolina 27402  
Attention: Finance Director

As to the Commission--

Local Government Commission of North Carolina  
325 N. Salisbury Street  
Raleigh, North Carolina 27603-1385  
Attention: Secretary

As to the Paying Agent--

First-Citizens Bank & Trust Company  
100 East Tryon Road, DAC-61  
Raleigh, North Carolina 27603  
Attention: Corporate Trust Department

As to the Remarketing Agent--

Banc of America Securities LLC  
214 North Tryon Street  
NC1-027-14-01  
Charlotte, North Carolina 28255  
Attention: Short-Term Municipal Bond Desk

As to the Tender Agent --

First-Citizens Bank & Trust Company  
100 East Tryon Road, DAC-61  
Raleigh, North Carolina 27603  
Attention: Corporate Trust Department

As to Fitch --

Fitch Ratings  
One State Street Plaza  
New York, New York 10004  
Attention: Municipal Structured Finance

As to Moody's--

Moody's Investors Service  
Public Finance Department  
99 Church Street  
New York, New York 10007  
Attention: Public Finance Rating Desk/VRDO

As to S&P --

Standard & Poor's Ratings Services  
55 Water Street, 38<sup>th</sup> Floor  
New York, New York 10041  
Attention: Municipal Finance/Structured Group  
Telephone: (212) 438-7989  
Facsimile: (212) 438-2157  
E-mail: pubfin\_structured@standardandpoors.com

As to the Bank--

Bank of America, N.A.  
101 South Tryon Street, NC1-002-03-10  
Charlotte, North Carolina 28255-0001  
Attention: Mr. Edmund A. Hawes

Any notice required to be given by or to the City shall be provided to the Bank so long as a Liquidity Facility is in effect.

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telegram or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

Substitute Mailing. *If, because of the temporary or permanent suspension of postal service, the City or the Paying Agent shall be unable to mail any notice required to be given by the provisions of this Resolution, the City or the Paying Agent shall give notice in such other manner as in the judgment of the City or the Paying Agent shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirement for the mailing thereof.*

Headings. *Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.*

Further Authority. *The Mayor, the City Manager, the Finance Director, the City Attorney and the City Clerk of the City and such other officers or employees of the City as are designated by any of them are hereby authorized to do all acts and things required of them by or in connection with this Resolution, the Remarketing Agreement, the Tender Agreement, the Standby Agreement, the Bond Purchase Agreement mentioned above and all other agreements or documents entered into or executed by the City in connection with the issuance of the Bonds (collectively the "City Documents") for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and the City Documents.*

Days Other than Business Days. *Any action required to be taken hereunder on a day other than a Business Day shall be deemed to be timely if such action is taken on the next succeeding Business Day.*

Notice to Fitch, Moody's and S&P. *Fitch, Moody's and S&P shall receive notice from the Paying Agent of the following items: any change of the Paying Agent, the Tender Agent or the Remarketing Agent, any supplement or amendment to this Resolution, the Liquidity Facility, the Remarketing Agreement, the Tender Agreement or the Bonds, any expiration, substitution, termination or renewal of the Liquidity Facility, any conversion from one Interest Rate Period to another and any mandatory tender, redemption or defeasance of Bonds.*

References to and Rights of Bank. *At such time as the Liquidity Facility shall have terminated or expired and not been replaced by a Substitute Liquidity Facility, all references to the Bank and the Liquidity Facility shall have no applicability. If the Bank shall be in default under the Liquidity Facility, the rights of the Bank hereunder shall be suspended until such time as the Bank ceases to be in default thereunder.*

Governing Law. *This Resolution shall be construed and governed in accordance with the laws of the State.*

Severability of Invalid Provisions. In case any one or more of the provisions contained in this Resolution or in the Bonds shall be held to be invalid, illegal or unenforceable in any respect and for any reason, then such invalidity, illegality or unenforceability shall not affect any other provision of this Resolution, and this Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Resolution Effective Immediately. This Resolution shall take effect immediately upon its passage.

EXHIBIT A  
CITY OF GREENSBORO, NORTH CAROLINA  
GENERAL OBLIGATION STREET IMPROVEMENT BONDS,  
SERIES 2006

NOTICE OF [INSUFFICIENCY OF FUNDS]  
[AUTHORIZED LIQUIDITY TERMINATION]

NOTICE IS HEREBY GIVEN that there was [a lack of sufficient funds to purchase all of the above-captioned Bonds tendered for purchase] [an Authorized Liquidity Termination with respect to the above-captioned Bonds] on \_\_\_\_\_, 20\_\_.

The above-captioned Bonds will therefore be subject to the provisions thereof applicable upon such event.

CITY OF GREENSBORO, NORTH CAROLINA

Dated: \_\_\_\_\_, 20\_\_

By \_\_\_\_\_  
Tender Agent

(Signed) Sandy Carmany

\* \* \* \* \*

At the request of the City Manager, Rick Lusk, Director of the Financial and Administrative Service Department, spoke to the significance of the City's achievement in receiving AAA bond ratings from all three bond rating agencies. He stated that this allowed the City to borrow at the lowest possible rate to finance capital projects; noted that the government and community were responsible for this accomplishment which reflected a strong and diverse economy; and defined the rarity of this achievement on a national scale.

.....

The Mayor asked if speakers from the floor wished to address Council.

.....

Jerry McCullum, no address provided, expressed interest in receiving a variety of information pertaining to ongoing investigations involving the Greensboro Police Department. After additional comments, he expressed support for interim Police Chief Tim Bellamy and appreciation to Council and staff for their efforts to keep the public informed in these matters.

.....

Tim Jones, residing at 4004 Sheridan Road, spoke to existing traffic conditions at Sheridan Road and the existing 18-foot wide, one-way road that accessed the development that was the subject of a zoning case heard earlier in the meeting. He expressed his hope that Mr. Pearson, the developer of the rezoned site, would be required to donate the three feet required to put in lanes in the future to avoid imminent domain actions that could waste time and money; shared his opinion that a third lane would alleviate traffic; and stated that he did not have additional rights of appeal.

Councilmember Phillips stated that when plans for the development that was the subject of the rezoning request

approved by Council earlier in the meeting were presented to the Technical Review Committee, he wished to be informed so that he could work with the neighborhood, Technical Review Committee and Transportation Department to insure that appropriate improvements would be required.

.....

Councilmember Johnson moved that Jennifer Revels Baxter, Cathy Levinson, and Ruth Cathy Hinshaw, be appointed to serve on the Bicentennial Commission; these terms are for three years. Councilmember Phillips stated that the basis for his opposition to these appointments did not reflect on the individual candidates, but did reflect his opposition to the process by which these additional seats on the Commission had been created. The motion was seconded by Councilmember Bellamy-Small and adopted on the following roll call vote: Ayes: Barber, Bellamy-Small, Carmany, Groat, Holliday, Johnson, and Wells. Noes: Gatten and Phillips.

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Councilmember Johnson added the name of Darren Sellars to the boards and commissions data bank for consideration for future service.

.....

Councilmember Johnson added the name of Melvin Jones to the boards and commissions data bank for consideration for future service.

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Councilmember Johnson requested an update on when Council would receive firefighters benefits information she had previously requested. The City Manager stated he was working on this with Human Resources staff and would let Council know if this information would be ready for the February Council briefing.

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Councilmember Bellamy-Small stated she was serving as liaison to the Welfare Reform Board; she provided a brief update with respect to recently made welfare public service enhancements.

Councilmember Bellamy-Small brought to Council's attention a report on disproportionate minority contact from the North Carolina State Juvenile Justice system and spoke to the Disproportionate Minority Contact Commission's work.

Councilmember Bellamy-Small spoke to the work of the Randleman Road Association and encouraged the City Manager to attend a future meeting.

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Councilmember Wells provided schedule and location details for an upcoming District 2 Town Meeting that the Greensboro Neighborhood Congress and District 2 were sponsoring. She invited people to share their thoughts and learn about her vision.

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Councilmember Gatten moved that John Buford be appointed to serve the unexpired portion of a term on the Guilford County Historic Preservation Commission; this term will expire 1 August 2007. The motion was seconded by Councilmember Phillips and unanimously adopted by voice vote of Council.

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Councilmember Carmany moved that James Thompson be appointed to serve a term on the Greensboro Transit Authority in the position formerly held by Earl Burgess; this term will expire 15 August 2008. The motion was seconded by Councilmember Johnson and unanimously adopted by voice vote of Council.

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Councilmember Carmany stated that permission had been granted by the General Assembly that allowed Coliseum staff to make arrangements for the facility to be smoke free. She requested that Council take action as soon as possible to authorize staff to implement outdoor smoking areas.

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Councilmember Bellamy-Small stated that she had agreed to serve on the Transportation Advisory Committee to replace former Councilmember Don Vaughan and that Councilmember Barber had agreed to serve as an alternate, replacing former Councilmember Perkins.

The Mayor spoke to the upcoming Council retreat and Council briefing and noted several community related events Council might wish to attend. He stated Council was invited to attend a reception for Bicentennial Commission Members at 4:30 p.m., prior to the February 7, 2006 Council meeting.

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Council discussed various recent and future community events of interest.

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The City Manager requested that Council adjourn to closed session to discuss a personnel matter and a lawsuit between MCI and the City of Greensboro; he stated he could not presently determine if Council would decide to return to open session. Councilmember Carmany moved that Council adjourn to Closed Session to discuss a personnel matter and a lawsuit between MCI and the City of Greensboro. The motion was seconded by Councilmember Bellamy-Small and unanimously adopted by voice vote of Council.

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The meeting was adjourned to Closed Session at 9:36 p.m.

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Susan E. Crotts  
Deputy City Clerk

Keith A. Holliday  
Mayor

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